UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/51/950
14 July 1997

ORIGINAL: ENGLISH

Fifty-first session
Agenda item 168
United Nations reform: measures and proposals

RENEWING THE UNITED NATIONS: A PROGRAMME FOR REFORM

Report of the Secretary-General

The report comprises two parts. Part one contains an introduction, together with a thematic overview of the main reform elements. It highlights the new leadership and management structure the Secretary-General is instituting and summarizes the key sectoral measures he is taking and proposing to Member States.

Part two includes a more detailed discussion of the entire set of reform measures, as well as fuller explanations and specific actions and recommendations.

97-18979 (E)

/...

LETTER OF TRANSMITTAL

14 July 1997

Dear Mr. President:

As you know, when I assumed the office of Secretary-General, I initiated a thorough review of the activities of the United Nations and the manner in which they are organized and conducted. The objective was to identify the ways in which the United Nations can more effectively and efficiently meet the challenges that lie ahead as we enter a new century, and a new millennium. Today, I am pleased to submit to you, and through you to this Assembly, what I believe to be the most extensive and far-reaching reforms in the fifty-two year history of this Organization. They are contained in the attached report, entitled "Renewing the United Nations: A Programme for Reform".

My concept of reform has been clear and consistent throughout: the Organization needs to be significantly reconfigured in order to do better what the international community requires it to do. Undertaking those changes will also realize significant administrative efficiencies, and thus produce savings in many, though not necessarily all, instances. Those net efficiency savings, in turn, should be made available to the Organization's highest priority, alleviating poverty and enhancing the prospects of developing countries. The measures and proposals outlined in the attached report reflect these principles.

The report includes three types of measures. The first are those that I can and will undertake on my own initiative, concerning largely the organization and management of the Secretariat, programmes, and funds. Here the report seeks nothing less than to transform the leadership and management structure of the Organization, enabling it to act with greater unity of purpose, coherence of efforts, and agility in responding to the many challenges it faces. These measures are intended to renew the confidence of Member States in the relevance and effectiveness of the Organization and revitalize the spirit and commitment of its staff.

The success of this reform programme further requires close partnership and cooperation with Member States, from whom the United Nations derives its mandates and is equipped with resources. Hence, the report also includes complementary measures that reside within the jurisdiction of Member States. It proposes ways to enhance the strategic direction that only the General Assembly can provide to the work of the Organization, while the Secretary-General is given the necessary tools to accomplish mandated objectives most effectively. I hope and trust that the General Assembly at its fifty-second session will give prompt and serious consideration to these proposals.

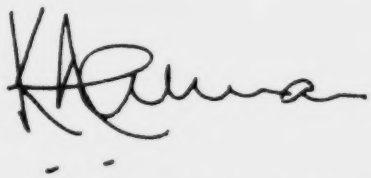
The President of the General Assembly
of the United Nations

/...

Thirdly, several more fundamental proposals are advanced for consideration by the General Assembly for possible action in the longer term.

I wish to acknowledge with gratitude the important contributions made to this effort by the Executive Coordinator for Reform, Mr. Maurice Strong, and his small but highly motivated team. In a matter of just six months, and with very limited resources, they covered vast ground and proved that it is possible for the United Nations to reform itself from within. Similarly, I want to thank the many other senior officials of the United Nations for giving so generously of their scarce time, especially the members of the Reform Steering Committee. Finally, I am grateful to the valuable suggestions I received throughout the process from Governments, as well as institutions and individuals beyond the Secretariat, who all wish to see a vital role for the United Nations in the century ahead.

Please accept, Mr. President, the assurances of my highest consideration.



Kofi A. Annan

CONTENTS

	Paragraphs	Page
Highlights		6
Part One: Overview		
I. Introduction	1 - 25	9
II. Initiating change	26 - 91	14
A. A new leadership and management structure	27 - 61	14
Strengthening leadership capacity in the Secretariat	34 - 39	16
Enhancing strategic direction from the General Assembly	40 - 48	18
Acting as one at the country level	49 - 51	20
Increasing administrative effectiveness and efficiencies	52 - 56	20
Creating a dividend for development	57 - 58	21
Reaching out to civil society	59 - 60	22
Instilling a culture of communications	61	22
B. Core activities	62 - 79	23
Peace and security	63 - 67	23
Economic and social affairs	68 - 71	24
Development cooperation	72 - 75	24
Humanitarian affairs	76 - 77	25
Human rights	78 - 79	26
C. The road ahead	80 - 91	26
III. A new United Nations for the new century	92 - 95	29
Part Two: Measures and proposals		
IV. New approaches to policy formulation	97 - 103	32
V. Focusing on substantive priorities	104 - 216	36
A. Peace, security and disarmament	104 - 126	36

CONTENTS (continued)

		Paragraphs	Page
	B. Economic and social affairs	127 - 145	42
	C. Development cooperation	146 - 169	49
	D. Environment, habitat and sustainable development	170 - 179	56
	E. Humanitarian affairs	180 - 193	59
	F. Human rights	194 - 206	63
	G. Civil society	207 - 216	66
VI.	**Enhancing support capacities**	217 - 271	69
	A. Financing the organization	217 - 222	69
	B. Management	223 - 250	71
	C. Communications and public information	251 - 262	82
	D. United Nations University, research institutes and related bodies	263 - 271	85
VII.	**Prepared for a changing world**	272 - 283	87
Annex.	**Examples of ongoing managerial reforms**		91

Highlights

The measures and proposals set out in the present report encompass the reform programme undertaken by the Secretary-General during his first six months in office. It constitutes an extensive and far-reaching set of changes that will move the Organization firmly along the road to major and fundamental reform designed to achieve greater unity of purpose, coherence of effort and flexibility in response. Some measures have already been implemented; others will take more time; and many require decisions by Member States. Reform is, after all, a continuing process not a single event.

The actions and recommendations focus primarily on the **following priority areas**:

♦ **Establishment of a new leadership and management structure** that will strengthen the capacity of the Secretary-General to provide the leadership and ensure the accountability that the Organization requires. Through:

- The establishment of the position of Deputy Secretary-General;
- The establishment of a Senior Management Group;
- Further development and strengthening of the Executive Committees of the sectoral groups established by the Secretary-General in January 1997 which include all the departments, funds and programmes of the United Nations;
- Decentralization of decision-making at the country level and consolidation of the United Nations presence under "one flag";
- Establishment of a Strategic Planning Unit.

♦ **Assuring financial solvency** through the establishment of a Revolving Credit Fund of up to $1 billion, financed from voluntary contributions or other means Member States may wish to suggest, pending a lasting solution of the Organization's financial situation.

♦ **Integration of twelve Secretariat entities and units into five**, and proposed consolidation of five intergovernmental bodies into two.

♦ **A changed management culture accompanied by management and efficiency measures**, which will eliminate at least 1,000 staff posts, reduce administrative costs by one third, improve performance and effect additional savings in terms of personnel and costs over time.

♦ **Instituting a thorough overhaul of human resources** policies and practices to ensure that all staff have the necessary skills and enjoy the requisite conditions for effective service.

♦ **Promoting sustained and sustainable development as a central priority** of the United Nations through:

- The grouping of United Nations funds and programmes with development operations into a United Nations Development Group, which will facilitate consolidation and cooperation amongst them without compromising their distinctiveness or identity;

- Proposing a "development dividend" to shift resources from administration to development activities;

- The establishment of a new Office of Development Financing with the Deputy Secretary-General taking the lead in initiating innovative means of mobilizing new financial resources for development;

- Proposals for burden-sharing and greater predictability through multi-year negotiated and voluntary pledges for the financing of United Nations development operations;

- Strengthening the environmental dimension of the United Nations activities, particularly UNEP.

♦ **Strengthening and focusing the normative, policy and knowledge-related functions of the Secretariat and its capacity to serve the United Nations intergovernmental bodies** through the establishment of a consolidated Economic and Social Affairs sectoral group.

♦ **Improving the Organization's ability to deploy peacekeeping and other field operations more rapidly**, including by enhancing the rapid reaction capacity of the United Nations.

♦ **Strengthening the United Nations capacity for post-conflict peace-building** with the designation of the Department of Political Affairs as a focal point for this purpose.

♦ **Bolstering international efforts to combat crime, drugs and terrorism** by consolidating United Nations programmes and activities in Vienna under an Office for Drug Control and Crime Prevention.

♦ **Extending human rights activities** by reorganizing and restructuring the human rights secretariat and the integration of human rights into all principal United Nations activities and programmes.

♦ **Advancing the disarmament agenda** by establishing a Department for Disarmament and Arms Regulation to address reduction of armaments and weapons of mass destruction and regulation of armaments.

♦ **Enhancing response to humanitarian needs** by setting up a new Emergency Relief Coordination Office to replace the Department of Humanitarian Affairs and focusing its capacities to deal more effectively with complex emergencies.

♦ **Effecting a major shift in the public information** and communications strategy and functions of the United Nations to meet the changing needs of the Organization.

♦ **Addressing the need for more fundamental change** through recommendations by the Secretary-General to Member States that they consider:

- Refocusing the work of the General Assembly on issues of highest priority and reducing the length of the Assembly sessions;

- The establishment of a ministerial-level commission to examine the need for fundamental change through review of the Charter of the United Nations and the legal instruments from which the specialized agencies of the United Nations derive their constitutions;

- Designation of the session of the General Assembly to be held in the year 2000 as "a Millennium Assembly" to focus on preparing the United Nations to meet the major challenges and needs of the world community in the twenty-first century, accompanied by a companion "People's Assembly".

PART ONE: OVERVIEW

I. INTRODUCTION

1. The United Nations is a noble experiment in human cooperation. In a world that remains divided by many and diverse interests and attributes, the United Nations strives to articulate an inclusive vision: community among nations, common humanity among peoples, the singularity of our only one Earth. Indeed, the historic mission of the United Nations is not merely to act upon, but also to expand the elements of common ground that exist among nations -- across space to touch and improve more lives and over time to convey to future generations the material and cultural heritage that we hold in trust for them. The Charter of the United Nations, drafted with the searing experience of history's two most destructive wars fresh in mind, embraced each of these aspirations and provided institutional instruments for their pursuit.

2. Fifty-two years after the signing of the Charter, the world can celebrate numerous progressive changes in which the United Nations has played a significant part. The United Nations role in decolonization began almost instantly and remains one of its grandest achievements. The Universal Declaration of Human Rights soon celebrates its own fiftieth anniversary. United Nations peacekeepers have helped to stabilize regional disputes and its humanitarian missions have alleviated suffering throughout the world. The challenges faced by developing countries have been at the forefront of United Nations economic activities.

3. The smooth flow of international transactions is made possible by rules of the road devised by the United Nations and its agencies. The world's people are healthier and lead longer and more productive lives thanks to the eradication of diseases, the improvement of nutritional standards, the promotion of agricultural development, the campaigns for literacy and the advocacy of the rights of women and children in which United Nations organizations have featured prominently. And the United Nations has no peer among international organizations in identifying novel issues on the policy horizon and devising plans of action for dealing with them, including the environment, social development questions and such uncivil elements in global civil society as drug-trafficking, transnational criminal networks and terrorism.

4. At the same time, there remains a sizeable gap between aspiration and accomplishment. Despite the unprecedented prosperity that technological advances and the globalization of production and finance have brought to many countries, neither Governments, nor the United Nations, nor the private sector have found the key to eradicating the persistent poverty that grips the majority of humankind. Indeed, imbalances in the world economy today pose serious challenges to future international stability: imbalances in the distribution of wealth, between the forces driving economic integration and political fragmentation, between humanity's impact on, and the capacities of, planetary life-support systems.

5. Moreover, disintegrative forces, abetted by inequities and intolerance, continue to tear nations and peoples apart, while virulent conflicts, fuelled by prejudice, deprivation and sometimes outright anarchy, defy both national borders and international norms. Such instabilities have spurred an enormous proliferation of ever-more lethal weapons and growing humanitarian crisis. Massive violations of human rights continue to be committed and large numbers of people continue to be killed for no reason other than their identity or beliefs. The ranks of refugees and displaced people -- largely innocent victims caught up in political upheavals of historic proportions -- have swelled to over 25 million.

6. The fundamental objective of this reform effort is to narrow the gap between aspiration and accomplishment. It seeks to do so by establishing a new leadership culture and management structure at the United Nations that will lead to greater unity of purpose, coherence of efforts and agility in responding to the pressing needs of the international community. Reforming the machinery of the United Nations is no substitute for the willingness of Governments to use the Organization, nor can it, by itself, bridge the very real differences in interests and power that exist among Member States. What it can achieve is to maximize the institutional effectiveness of the United Nations, thereby enabling it to do better what it is asked to do and, consequently, to advocate and undertake with credibility its larger mission as an agency of progressive change for the world's nations and peoples alike.

7. This effort requires a frank assessment of the United Nations major institutional strengths and weaknesses, coupled with a clear understanding of the institutional context in which the United Nations will operate in the years ahead.

Institutional strengths and weaknesses

8. The greatest source of strength enjoyed by the United Nations stems from its universality of membership and the comprehensive scope of its mandate. And the most encompassing manifestation of this strength is in the normative realm. Norms that approach universality form a principled basis on which to assess and guide practice within the community of nations. Such norms have not only a moral import; they also provide the institutional underpinnings of daily life within the international community: expectations as to rights and obligations, the mutual predictability of behaviour offered by the rule of law, the specification of best practices, a nearly endless array of standards, without which the conduct of routine international transactions would be inconceivable.

9. Its universal character and comprehensive mandate make the United Nations a unique and indispensable forum for Governments to identify emerging global issues, to negotiate and validate common approaches to them, and to mobilize energies and resources for implementing agreed actions. The convening power of the United Nations has produced impressive results in a great variety of fields, including trade and development, environment, human rights, the

progressive development and codification of international law, gender equality and population, as well as in peace and security and disarmament.

10. Moreover, in some key areas, such as development cooperation, the United Nations normative capacity is linked directly to assisting national policy and is further supported by its own operational activities. Only the United Nations has expertise across virtually the entire range of development concerns, including their social, economic and political dimensions. And only the United Nations has the potential to provide support across the spectrum from humanitarian relief or peacekeeping to development activities.

11. At the same time, the United Nations operational capacities and programme ambitions cannot possibly fully match the enormous breadth of its deliberative agenda. In some areas, operational mandates have outstripped the Organization's resources provided by its Member States, leaving an unbridgeable gap between needs and expectations, on the one hand, and delivery, on the other. And in other instances the United Nations is simply not well suited to carry out operations.

12. The major source of institutional weakness in the United Nations is the fact that over the course of the past half century certain of its organizational features have tended to become fragmented, duplicative and rigid, in some areas ineffective, in others superfluous. The cold war and its concomitant system of bloc politics made it extremely difficult and in some cases impossible for the Organization to implement the Charter conceptions of its many roles, especially in the area of peace and security. Indeed, they affected the functioning of the entirety of the United Nations, from programme priorities to organizational modalities and personnel management.

13. Although the United Nations was able, despite this inhospitable setting, to launch numerous new initiatives throughout the cold war years, all too often they were simply layered onto previous activities rather than being effectively integrated in them, or replacing outright tasks that had become outdated. Even previous efforts to reform the functioning of the United Nations were constrained by these same forces. More often than not, they produced parallel mechanisms or created additional bodies that were intended to coordinate, rather than instituting effective management structures.

14. Once the cold war ended, the United Nations rushed, and was pushed, to respond to a vast increase in demand for its services. The Organization began to aid transitions to democracy, national reconciliation and market reforms. It was called upon to provide unprecedented levels of humanitarian assistance. The United Nations peacekeeping mechanism for a time became the international community's emergency services, fire brigade, gendarmerie and military deterrent, even in instances where there was no peace to be kept. Mistakes were made along the way -- in many cases because the means given to the Organization did not match the demands made upon it.

15. Now that the frenzy of the immediate post-cold war years has passed, the United Nations can, and must, step back to reassess which are the most effective means to realize its enduring goals. The fundamental challenge is to fashion a leadership and management structure that will result in a better focused, more coherent, more responsive and more cost-effective United Nations.

The institutional context

16. The geopolitical landscape within which the United Nations functions continues to undergo major shifts. Over the course of the next generation, a majority of the world's most rapidly growing economies will be located in what is now the developing world, accelerating a trajectory that has been building steadily. At the same time, many of the least developed countries, particularly those of sub-Saharan Africa, risk being bypassed by this process of economic expansion and transformation and require increased levels and diverse forms of external assistance. The United Nations must be fully prepared to respond to the diverse needs and challenges arising from these patterns of change.

17. Another long-term change that affects the functioning of the United Nations is the degree to which policy issues have become, or are now better understood to be, intersectoral or trans-sectoral in character. Development was one of the first major areas of policy concern to challenge this traditional pattern systematically, followed by the environment. For the United Nations, the challenge has become pervasive: sustainable development, post-conflict peace-building, emergency relief operations, the link between humanitarian assistance and development cooperation -- these and many other new United Nations policy concerns cut across both sectoral and institutional boundaries.

18. The implications of this change for the United Nations are clear: future success hinges on its ability to achieve a unity of purpose among its diverse departments, funds and programmes, enabling it to act coherently and deploy its resources strategically. In addition, alliances and partnerships with the specialized agencies and other organizations must become part of normal organizational routine.

19. In addition, the pace of change has been accelerating. Scientific advances move from the laboratory into factories and farms, homes and hospitals, more rapidly than ever before. Growing pools of investment capital and increased capital mobility are redrawing the maps of economic geography at historically unprecedented rates. Successive waves of innovations in information technology quickly render state-of-the-art products and techniques obsolete. Round-the-clock news coverage and the Internet are creating real-time global sensibilities. And as a result of the knowledge revolution generally, policy makers and concerned publics know more about the possible ways in which today's actions or inactions might shape the state of things to come, in some measure eroding the distinction between present and future for policy purposes.

This radically transformed temporal context of policy-making puts a premium on agility and flexibility of any organization that operates within it. The United Nations is no exception.

20. Finally, the institutional context in which all international organizations now operate is so much more densely populated by other international actors, both public and private, than it was in the past. In the case of the United Nations, when the first General Assembly's 51 Members convened at Lake Success in 1946, the Bretton Woods institutions were barely functioning. The General Agreement on Tariffs and Trade did not yet exist. Few regional organizations were in place. Most Governments maintained currency exchange controls and trade restrictions, minimizing the flow of international economic transactions. With such notable exceptions as the International Committee of the Red Cross, international non-governmental organizations typically were umbrella associations of national professional societies.

21. Today, United Nations Members number 185, and intergovernmental organizations at all levels number in the thousands. The resources of several of these organizations far exceed those of the United Nations. Moreover, the expanding transnational network of non-governmental organizations encompasses virtually every sector of public concern, from the environment and human rights to the provision of micro-credit and is active at virtually every level of social organization, from villages all the way to global summits. And the private sector continues to expand transnationally. International financial flows tower over world trade by a ratio of 60:1, while trade itself continues to outpace annual increases in world gross domestic product by approximately 5 per cent. Private foreign investment to developing countries, which has been rapidly increasing, now exceeds steadily declining official transfers to those countries by some $200 billion per annum.

22. The implications of these developments for the United Nations are twofold. First, future success demands that the United Nations focus, within its overall Charter mission, on those activities, or on those aspects of activities, that it does better than others. Second, success requires that the United Nations devise effective means by which to collaborate with other international organizations and institutions of civil society, thereby amplifying the impact of its own moral, institutional and material resources.

23. In sum, the very organizational features that are now most demanded by the United Nations external context in some respects are in shortest supply: strategic deployment of resources, unity of purpose, coherence of effort, agility and flexibility. The current reform effort aims at redressing this imbalance and setting the United Nations on a course of revitalization for the twenty-first century.

A programme of reform

24. The institutional reforms outlined in the present report consist of three types of measures. The first are those that the Secretary-General can and will undertake on his own initiative, largely concerning the organization and management of the Secretariat programmes and funds. The second are complementary measures that reside within the jurisdiction of Member States, including the structure and functioning of intergovernmental bodies, which require their approval. Finally, several more fundamental proposals are advanced for serious consideration and deliberation and possible action in the longer term.

25. Reform is not an event; it is a process. And the process will not end with the present report. The proposals contained herein, therefore, are important not only for the specific ways in which they will produce a stronger, more resilient and more flexible United Nations now, but also for the general direction their implementation will impart to the future evolution of the Organization. The coming century promises to be a time of yet deeper and more rapid global change. The United Nations must be ready.

II. INITIATING CHANGE

26. Efforts at institutional reform have been under way in virtually all component parts of the Organization, ranging from Secretariat departments to intergovernmental working groups. The proposals advanced in the present report draw on those efforts. But the vantage point here is different: the present initiatives concern the structure and functioning of the Organization as a whole -- in particular its ability to act as a whole. What is more, as they pertain to the United Nations Secretariat, the present initiatives take as their starting point not the existing organizational chart but the core institutional problems that need to be redressed, both generically and in each of the substantive domains in which the Organization operates.

A. A new leadership and management structure

27. As the chief administrative officer of the Organization, the Secretary-General must ensure that the policies and directives of Member States are translated into action in an efficient and effective manner. He is expected to furnish ideas and guidance on the major issues that confront the international community. Ultimately, as the Preparatory Commission for the United Nations noted more than 50 years ago: "The Secretary-General, more than anyone else, will stand for the United Nations as a whole. In the eyes of the world, he must embody the principles and ideals of the United Nations Charter to which the Organization seeks to give effect." The Secretary-General has sought to meet these several challenges in conducting the current effort at institutional reform.

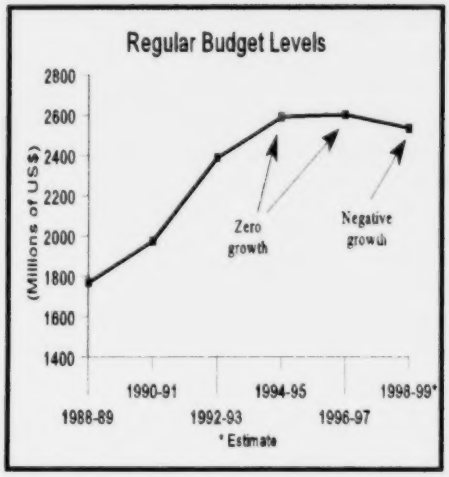
28. In January 1997, the Secretary-General took the first steps by reorganizing the Secretariat's work programme around the five areas that comprise the core missions of the United Nations: peace and security; economic and social affairs; development cooperation; humanitarian affairs; and human rights. This process involved all United Nations departments, programmes and funds. Subsequently, Executive Committees were established in the first four areas, while human rights was designated as cutting across, and therefore participating in, each of the other four. All United Nations entities were assigned to one or more core group.

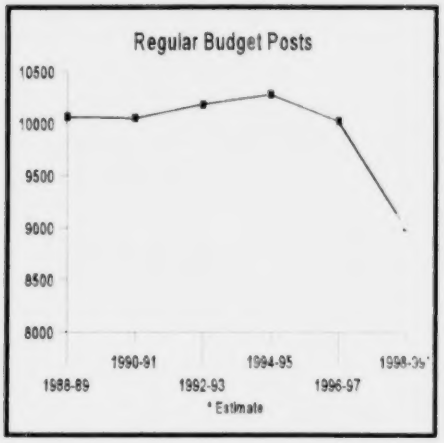
29. The aim in establishing these Executive Committees was to sharpen the contribution that each unit makes to the overall objectives of the Organization by reducing duplication of effort and facilitating greater complementarity and coherence. The Executive Committees were designed, therefore, as instruments of policy development, decision-making and management. The heads of United Nations entities consult with one another on work programmes as well as other substantive and administrative matters of collective concern, to identify and exploit ways of pooling resources and services so as to maximize programme impact and minimize administrative costs and more generally to facilitate joint strategic planning and decision-making.

30. The work of the Executive Committees has already yielded practical results. For example, the Executive Committee for Development Cooperation has moved to create country-specific frameworks of collaborative policy planning, which will serve as a common starting point for programme activities, at the country level, of all United Nations development funds, programmes and eventually, it is hoped, the specialized agencies.

31. In March 1997, the Secretary-General announced a further set of administrative and budgetary measures. Three departments in the economic and social area are being integrated into one, so as to rationalize the United Nations multifaceted efforts in these fields. At the same time, three Secretariat entities serving intergovernmental forums were combined into one, better to support the work of the Organization's legislative bodies and conferences. In addition, a series of efficiency projects have been undertaken by managers throughout the Secretariat. They now number around 550, of which 265 were completed by June 1997. The objective of these projects is to enhance cost-effectiveness in programme delivery.

32. As a result of these and other economies, the Secretary-General's proposed programme budget for the 1998-1999 biennium realizes a negative rate of growth. It also includes a decrease in the number of Secretariat posts by 1,000 -- down 25 per cent from a high of more than 12,000 in 1984-1985. Both are illustrated below.





These targets were realized not by sacrificing mandates, but by achieving them more cost-effectively. Moreover, the programme of reforms described in this report further facilitates and supports these outcomes.

33. The significant progress and positive changes in institutional culture that these initiatives have generated make it possible now to consolidate as well as build upon them. The Secretary-General, therefore, will institute a series of further actions to refashion the organization of the Secretariat while making complementary recommendations to Member States.

Strengthening leadership capacity in the Secretariat

34. The first challenge is to enhance the capacity of the Secretary-General and senior managers to achieve greater unity of purpose, coherence of effort, agility and responsiveness throughout the United Nations, including its funds and programmes. The following measures are designed to transform the organization of the Secretariat from its traditional depiction of a disparate collection of units with little strategic focus, to a more coherent, horizontal, more strategic and agile structure. This new management structure is portrayed in the figure entitled "A framework for change", which is reproduced at the end of Part One below.

- **Senior Management Group**

35. The Secretary-General is establishing a Senior Management Group. Its membership will include the convenors of the four executive committees, plus several additional senior managers selected by the Secretary-General. Chaired by the Secretary-General, its primary responsibility will be to assist the Secretary-General in leading the process of change and instituting sound management throughout the Organization.

36. The executive committees will continue to operate with some changes in membership and functions to reflect the results of the present report. One of their new responsibilities will be to render operational and implement the many recommendations detailed in Part Two of the present report. The Secretary-General will continue to hold regular meetings with all heads of departments, programmes and funds.

- **Deputy Secretary-General**

37. The multiplicity of roles performed by the Secretary-General is a major source of strength of the office. But it also limits the attention which any Secretary-General can devote to providing sustained intellectual and organizational leadership. Similarly, the very breadth of the United Nations substantive programmes is a great source of its potential institutional strength, and is especially important when the needs of the international community or individual Member States cut across distinct sectors of activity, as in complex emergencies or in transitions from peacekeeping to post-conflict peace-building and on to longer-term development concerns. But the Organization is not always able to take advantage of these strengths.

38. Accordingly, the Secretary-General will recommend to the General Assembly that the post of Deputy Secretary-General be established. The Deputy Secretary-General will undertake responsibilities at the request of the Secretary-General. He or she will perform a particular role in ensuring the success of activities and programmes that cross functional sectors and Secretariat units, so that the full weight of the office of Secretary-General can be brought to bear on achieving intersectoral and inter-institutional coherence.

- **Strategic Planning Unit**

39. The ability of the Secretary-General to lead the Organization effectively in a time of rapid and complex changes also hinges on his having access to and being able to make use of the best available policy-relevant information and research. Accordingly, a small strategic planning unit will be set up to support the Secretary-General in this respect. It will be charged with identifying emerging global issues and trends, analysing their implications for the roles and working methods of the United Nations, and devising policy recommendations for the Secretary-General and the Senior Management Group.

Enhancing strategic direction from the General Assembly

40. The General Assembly is the organ of the United Nations that most fully embodies the universal and democratic character of the Organization. It sets the overall policy framework within which the United Nations operates. As the world enters the new century, with its novel challenges and complex issues, the relationship between the General Assembly and the Secretary-General must be close and complementary, based on shared understandings and common goals. It would be highly advantageous, therefore, if the effort to enhance conceptual and institutional coherence within the Secretariat was paralleled at the intergovernmental level. This could be accomplished through several means.

- **Focusing legislative debates**

41. It may be desirable to incorporate the principal features of United Nations conferences into the programmes of the General Assembly and the Economic and Social Council. This could be accomplished by having the Assembly decide, say two years in advance, on a major issue to be the subject of a special high-level one-week segment. Preparations for the segment would be the responsibility of the Economic and Social Council, or any other appropriate body, which in turn could employ many of the techniques and modalities developed for the preparation of United Nations conferences. If the Assembly agrees, it may wish to consider "International Financing for Development" as the first issue.

42. The General Assembly could profitably decide to arrange for each of its Main Committees to focus its work thematically. These thematic discussions would represent a collective effort to address in depth at each Assembly session a limited number of areas of major current concern.

- **Streamlined agenda**

43. The work of the Secretariat derives directly from the mandates it receives from the General Assembly and other legislative bodies. It is the responsibility of the Secretary-General to implement all of these mandates. Member States could increase the effectiveness of the Organization and enable the Secretary-General to concentrate Secretariat resources in the areas of highest priority by undertaking an in-depth review of the agenda of the General Assembly. Over the years, many items have remained on the agenda despite their having decreased in importance or the situations they were designed to address having changed. A review might identify items of lesser priority that can be removed and establish a process to ensure that the agenda evolves to reflect areas of principal priority in the future. Doing so might also enable the General Assembly to conclude its deliberations expeditiously.

- **Sunset provisions**

44. In addition, the Secretary-General recommends to the General Assembly that each initiative that involves new organizational structures and/or major commitments of funds be subjected to specific time limits, by which it would be reviewed and renewed only by explicit action of the Assembly.

- **Results-based budgeting**

45. Few institutional mechanisms have a greater impact on the strategic functioning and direction of any organization than its budgetary process. Member States appropriately desire maximum transparency in the use of resources. At the same time, programme managers frequently have to cope with very detailed and sometimes inflexible specification of inputs, including levels and types of personnel, determined by the General Assembly in its attempt to exercise greater policy guidance. In the process, the real issues of how best to achieve the mandated results receive relatively little attention.

46. The Secretary-General, therefore, proposes that Member States and he enter into a dialogue with the aim of shifting the United Nations programme budget from a system of input accounting to results-based accountability. Under this new approach, which many Member States have adopted at the national level, the General Assembly, through its relevant Committees, would specify the results they expect the Organization to achieve within the relevant budgetary constraints. The Secretariat would be held responsible for, and judged by, the extent to which the specified results are reached. At the same time, the Secretary-General would exercise greater responsibility for determining the precise mix of inputs by which to achieve these results most effectively.

- **Restoring the Charter-based division of functions**

47. The Charter and its preparatory documentation express clearly the intention that there should be a well-defined division of functions between the General Assembly and the Secretary-General. Encroachment by either on the authority of the other undermines the efficient and effective operation of the Organization. Over the years, the General Assembly has adopted resolutions and established practices, including in relation to high-level appointments, that have constrained the Secretary-General's ability to administer the Secretariat. Yet at other times the Assembly has provided insufficient guidance as to programme objectives and implementation.

48. The Secretary-General proposes that the General Assembly review the current distribution of functions and responsibilities between the two, with a view to restoring the balance that was envisioned when the Organization was established. He would welcome the opportunity to offer suggestions to the General Assembly in this regard.

Acting as one at the country level

49. The United Nations performs its operational work at the country level, collaborating with Governments and non-governmental organizations in such diverse endeavours as promoting development, caring for refugees, immunizing children and delivering humanitarian assistance. All too often, the separate United Nations entities involved in these activities pursue their activities separately, without regard to or benefiting from one another's presence. The greater unity of purpose and coherence in performance that these strategic management initiatives will accomplish at headquarters level must also be reflected in the field.

- **Programme coherence and complementarities**

50. In parallel to the United Nations Development Group, described below, which is being established at United Nations Headquarters, the Secretary-General has asked the participating funds and programmes to establish corresponding consultative and collaborative arrangements at the country level. Moreover, the country-level assistance provided by each United Nations programme and fund will be integrated into a United Nations Development Assistance Framework.

- **UN House**

51. All United Nations entities with ongoing missions at the country level will operate in common premises -- "UN House" and operate under a single United Nations flag. In countries where there is a Resident Coordinator, all funds and programmes as well as United Nations information centres will become part of a single United Nations office under the Resident Coordinator.

Increasing administrative effectiveness and efficiencies

52. In an era of growing demands and constrained resources, the management systems of the United Nations must be strengthened. More effective management is necessary for better support to the accomplishment of mandates established by Member States. A management reform programme is under way and will be accelerated to reduce administrative and other overhead costs.

- **The human resources dimension**

53. Current human resources management policies and practices require significant improvements if they are to do justice to the mission of the Organization. Building on the Secretary-General's human resources management strategy, endorsed by the General Assembly, further efforts are needed to optimize the talents and dedication of the vast majority of United Nations staff members. As requested by the General Assembly, the Secretary-General will

present to the General Assembly at its fifty-third session a comprehensive review of progress to date in implementing his strategy, together with new proposals. The Secretary-General will submit a Code of Conduct to the Assembly at its fifty-second session, designed to ensure that all United Nations staff meet the highest standards of independence and integrity.

54. Numerous other initiatives are also being undertaken: investment in staff training, including managerial staff, to improve substantive and other skills; retraining staff affected by the reform measures; and a simplification of rules, streamlined recruitment and administrative practices, and more effective career development. Decentralization and delegation of authority, coupled with full accountability, are keys to success. Finally, the Secretary-General is determined to realize fully the Organization's goals of geographical representation and gender balance.

- **Enhancing delivery of mandates**

55. Every department and office in the Secretariat is carrying out management reviews to enhance their ability to accomplish objectives in the most cost-effective manner possible while strengthening services to Member States. Information technology and procurement are being streamlined and common service facilities are being established in New York, Geneva, Vienna and Nairobi.

- **Electronic United Nations**

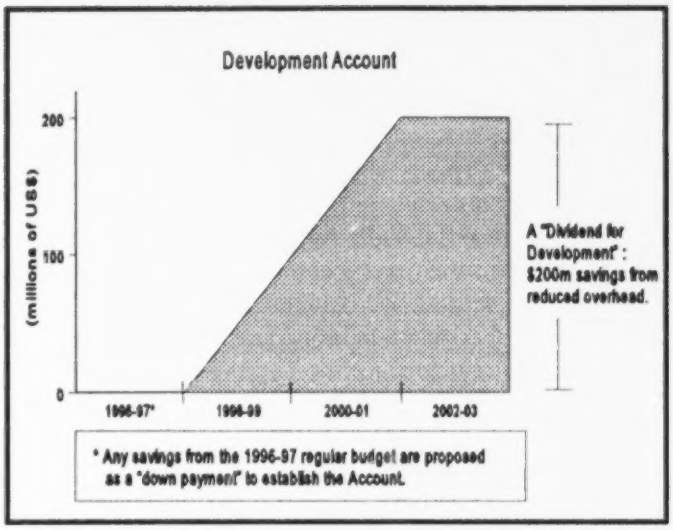
56. The United Nations is providing the possibility of electronic access to United Nations documents, publications and other information for all permanent missions, non-governmental organizations and the public in all countries. All permanent missions in New York are connected to the United Nations Web Site and the optical disk system via the Internet as of 30 June 1997.

Creating a dividend for development

57. Reform is not intrinsically an exercise in cutting costs or reducing staff. Its aim is to ensure that the resources entrusted to the Organization by its Members are used to achieve the mandates they give it in the most effective and efficient manner, including at the country level. The Secretary-General is committed to reducing non-programme costs from 38 per cent of the regular budget to 25 per cent over the next two bienniums, and turning the savings into a "dividend for development".

- **Development account**

58. The Secretary-General proposes that the General Assembly agree to establish a development account, funded by savings from reduced non-programme costs and other management efficiencies. He envisages that the account could grow to at least $200 million for the biennium beginning 1 January 2002, and that any unspent funds from the 1996-1997 regular budget be utilized as a "down payment" in order to establish the account.



Reaching out to civil society

59. Civil society constitutes a major and increasingly important force in international life. In recent years, the United Nations has found that much of its work, particularly at the country level, involves intimately the diverse and dedicated contributions of non-governmental organizations and groups -- be it in economic and social development, humanitarian affairs, public health or the promotion of human rights. Similarly, the pronounced growth in the flow of private international economic transactions over the past decade has established the private sector as the major driving force of international economic change. Yet despite those growing manifestations of an ever-more robust global civil society, the United Nations is at present inadequately equipped to engage civil society and make it a true partner in its work.

60. Accordingly, the Secretary-General is making arrangements for all United Nations entities to be open to and work closely with civil society organizations that are active in their respective sectors, and to facilitate increased consultation and cooperation between the United Nations and such organizations.

Instilling a culture of communications

61. As part of his March initiatives, the Secretary-General appointed a task force on the reorientation of United Nations public information activities. The task force has submitted a comprehensive report, which includes several conclusions and recommendations that are quite fundamental. It urges, above all, that the communications functions be placed at the heart of the strategic management of the Organization. The success of the United Nations, the report concludes, is intimately related to its ability to communicate its message effectively, and a new

culture of communications must, therefore, pervade the entire Organization. The Secretary-General supports the central tenets of the report, and is developing an implementation plan.

B. Core activities

62. The aim of the new leadership and management structure described above is to provide the Organization's leaders the tools by which to effect greater unity of purpose, coherence of efforts and responsiveness agility on the part of the United Nations. That same aim also must shape the Organization's substantive work programmes. Senior managers throughout the Organization increasingly must learn to act on the basis of common substantive objectives, not the budgetary lines or institutional boundaries that may separate them. The detailed actions and recommendations contained in part two of the present report describe the Secretary-General's proposals in that regard, together with their rationales. The major challenges and proposals are highlighted below.

Peace and security

63. The dramatic developments of the post-cold-war era challenged the United Nations role in fostering and maintaining international peace and security. Peacekeeping will remain an indispensable instrument of the United Nations, and efforts to strengthen its effectiveness are under way. The institutional capacity for preventive diplomacy and post-conflict peace-building similarly is being bolstered.

64. In the area of peacekeeping, major improvements have been made in reaching precise understandings with Member States on the personnel and matériel they will have available at agreed states of readiness for peacekeeping operations. The Secretary-General now urges Member States to agree on arrangements and provide the means that would enable the United Nations to mount and deploy peacekeeping operations rapidly.

65. In preventive diplomacy, the United Nations is maintaining a global watch to detect potential threats to international peace and security, with the objective of supporting the efforts of the Security Council. This early warning system is being continually upgraded, so that the Security Council and other concerned organizations may receive timely advice on the basis of which to carry out preventive action.

66. The Secretary-General has designated the Department of Political Affairs as the United Nations focal point for post-conflict peace-building -- that is, the mechanism for ensuring that United Nations efforts in countries that are emerging from crises are fully integrated and faithfully reflect the mission objectives specified by the Security Council and the Secretary-General. The Department of Political Affairs will carry out its functions in its capacity as convenor of the Executive Committee for Peace and Security.

67. The proliferation of weapons -- weapons of mass destruction as well as conventional weapons -- threatens international stability. The United Nations Centre for Disarmament Affairs is being reconstituted as the Department for Disarmament and Arms Regulation. A high priority for this Department will be to develop strategies and policies to prevent the proliferation of all types of weapons and to control the flow of conventional weapons to areas of conflict.

Economic and social affairs

68. The promotion of economic and social progress is one of the United Nations primary objectives, enshrined in the Charter. The persistence of several long-standing problems remains a serious challenge, including the alleviation of poverty and facilitating more active participation by greater numbers of countries in the expanding global economy. New issues have also emerged in recent decades, among them being the challenges of sustainable development, gender equality, globalization in its various manifestations and the spreading transnational networks of crime, terrorism and drug trafficking. A series of measures are proposed to improve the functioning of the United Nations in these domains.

69. The consolidation of three departments in the economic and social fields into the new Department of Economic and Social Affairs is being effected and will lead to further streamlining and efficiencies. In addition, the Secretary-General is proposing to Member States ways to strengthen the Economic and Social Council. They include providing it with greater access to expert support, particularly in the area of macroeconomic policy, and consolidating several of its subsidiary bodies.

70. Vienna will become the locus for integrated efforts by the United Nations to fight crime, drugs and terrorism. A new high profile United Nations Office for Drug Control and Crime Prevention will be constituted, consolidating and enhancing United Nations activities in these areas.

71. The Secretary-General is also exploring ways to strengthen and possibly restructure the United Nations Environment Programme and the Centre for Human Settlements, the two United Nations bodies that are most directly involved in environment, sustainable development and human settlements issues.

Development cooperation

72. In the realm of development cooperation, the distinctiveness and specific focus of each United Nations fund and programme involved in development activities provide exceedingly important benefits to the countries and people they serve, and thereby contribute significantly to the overall mission of the United Nations. At the same time, to achieve maximum effectiveness, development activities also require a more integrated collaborative approach than exists in the

United Nations at present. The Secretary-General is proposing several major initiatives designed to harmonize these twin concerns.

73. A United Nations Development Group is being constituted, comprising the major United Nations development programmes and funds as well as departments and other relevant entities. The objectives of the Group are to facilitate joint policy formation and decision-making, encourage programmatic cooperation and realize management efficiencies. This change at headquarters will be reflected at the regional and country levels, where all United Nations programmes will be integrated within a United Nations Development Assistance Framework.

74. Participating funds and programmes in the Development Group will retain their current distinctiveness and existing structures of accountability. At the same time, the Secretary-General invites Member States to explore corresponding ways of facilitating more integrated oversight by, for example, convening joint committees and/or consecutive meetings of their respective executive boards.

75. Finally, the Secretary-General has initiated consultations with the President of the World Bank in order to strengthen cooperation and achieve greater rationalization and coordination between the Bank and the United Nations.

Humanitarian affairs

76. The humanitarian mission of the United Nations is to assist victims of natural disasters and other emergencies. In recent years, humanitarian emergencies have often occurred in complex political and military contexts, including civil strife, in which relief workers themselves may be at risk. Experience has shown, and the General Assembly has recognized, that humanitarian actions today extend well beyond the provision of relief, and also entail early warning, prevention, advocacy and rehabilitation as well as supporting transition to longer-term development. It is also clear that improvements are necessary in the coordination and rapid deployment of United Nations humanitarian responses.

77. Accordingly, the Secretary-General is instituting a major restructuring of Secretariat machinery responsible for coordinating humanitarian assistance. An office of the Emergency Relief Coordinator will be established to replace the present Department of Humanitarian Affairs. The Department's operational responsibilities will be transferred to other appropriate entities that provide assistance on the ground. Its coordination and advocacy role will be bolstered and performed by the Emergency Relief Coordinator. Moreover, a steering committee is being established to intensify inter-agency coordination, coordination at the field level and resource mobilization.

Human rights

78. Human rights are integral to the promotion of peace and security, economic prosperity and social equity. For its entire life as a world organization, the United Nations has been actively promoting and protecting human rights, devising instruments to monitor compliance with international agreements, while at the same time remaining cognizant of national and cultural diversities. Accordingly, the issue of human rights has been designated as cutting across each of the four substantive fields of the Secretariat's work programme (peace and security; economic and social affairs; development cooperation; and humanitarian affairs).

79. A major task for the United Nations, therefore, is to enhance its human rights programme and fully integrate it into the broad range of the Organization's activities. Several significant changes have already been implemented. In addition, the Secretary-General is consolidating the Office of the High Commissioner for Human Rights and the Centre for Human Rights, into a single Office of the High Commissioner. The new High Commissioner for Human Rights will, therefore, have a solid institutional basis from which to lead the Organization's mission in the domain of human rights.

C. The road ahead

80. The changes called for in the preceding section would move the United Nations a long way towards the objective stipulated at the outset of the present report: for the United Nations to accomplish more by doing what it does better. Most of the measures to be undertaken by the Secretary-General can and will be implemented immediately. The implementation of those which require deliberation among and agreement by Member States perforce must take somewhat longer, but it should be possible for all to be instituted by the end of 1999.

81. There are many more changes that are desirable, however. Some are of a fundamental nature on which no political consensus may now exist, while others exceed the current authority of the General Assembly and the Secretary-General as provided in the Charter and thus would entail Charter revision. But if the United Nations is to be well positioned for the services that will be demanded of it in the twenty-first century, it is important that a process be put in place that begins to address these broader issues now. Several such issues that follow from the reform measures proposed in the present report are identified below. They concern a number of the principal organs of the United Nations, the relationship between the United Nations and its agencies, the creation of a new judicial body that would strengthen significantly the rule of law in the century ahead and relations with civil society.

- **Financing the United Nations**

82. The United Nations precarious financial situation is directly linked to the failure of some Member States to discharge their treaty obligations regarding prompt and full payment of assessed financial contributions. The current reform effort cannot achieve optimal results unless the Organization's finances are put in order. The Secretary-General appeals to Member States to resolve the financial crisis speedily and with good will.

83. Member States must hold one another accountable for meeting their financial obligations. However, as an interim measure, pending a lasting solution of the Organization's financial situation, the Secretary-General proposes that a revolving credit fund be established by Member States, initially capitalized at the level of up to $1 billion, through voluntary contributions or other means that Member States may wish to suggest.

- **A new concept of trusteeship**

84. Although the United Nations was established primarily to serve Member States, it also expresses the highest aspirations of men, women and children around the world. Indeed, the Charter begins by declaring the determination of "We the peoples of the United Nations" to achieve a peaceful and just world order. Relations between the United Nations and agencies of civil society are growing in salience in every major sector of the United Nations agenda. The global commons are the policy domain in which this intermingling of sectors and institutions is most advanced.

85. Member States appear to have decided to retain the Trusteeship Council. The Secretary-General proposes, therefore, that it be reconstituted as the forum through which Member States exercise their collective trusteeship for the integrity of the global environment and common areas such as the oceans, atmosphere and outer space. At the same time, it should serve to link the United Nations and civil society in addressing these areas of global concern, which require the active contribution of public, private and voluntary sectors.

- **The United Nations system**

86. The Charter provides that the United Nations should draw in its work on a decentralized system of specialized agencies. Each of these agencies was established by a separate treaty among Governments and each is directly accountable to its own governing bodies. The United Nations authority over their policies and activities is limited, under the Charter, to making "recommendations" for their "coordination". The measures proposed by this reform effort focus on the Organization itself, that is, on the United Nations Secretariat, programmes and funds. But if the objectives of the United Nations are to be fully realized, a much greater degree of concerted will and coordinated action is required throughout the system as a whole.

87. The Secretary-General intends to work closely with the executive heads of the organizations of the entire system, through the Administrative Committee on Coordination, which the Secretary-General chairs, to strengthen that Committee's capacity to adapt the United Nations system as a whole to the new challenges it faces. Doing so will serve to rationalize the division of labour within existing structures of the United Nations system.

88. There are, at the same time, gaps in the existing structures that merit the attention of Governments. At present, no organization has principal responsibility for dealing comprehensively with the energy sector, for example, or with technology, or in respect of the major transition taking place in many countries from State to private enterprises. These gaps could be included in the mandate of a restructured and revitalized United Nations Industrial Development Organization (UNIDO), the future of which is uncertain despite the fact that it has recently effected some impressive reforms and cost reductions. The Secretary-General believes that the question of UNIDO's future should be reviewed in this broader context, and is prepared to use his good offices in that respect.

89. Beyond that, there is a need to examine how the weaknesses of the decentralized system can best be corrected while preserving its advantages. Accordingly, the Secretary-General is proposing that Member States consider establishing a Special Commission, at the ministerial level, to examine possible needs for changes in the Charter of the United Nations and in the treaties from which the specialized agencies derive their mandates, so as to effect major improvements in the capacity of the United Nations system, as a system, to serve the world community better in the twenty-first century.

- **International Criminal Court**

90. For nearly half a century -- almost as long as the United Nations has been in existence -- the General Assembly has recognized the need to establish an international criminal court to prosecute and punish persons responsible for crimes such as genocide, crimes against humanity and war crimes. Recent horrific human tragedies have made it more imperative than ever to do so. In June 1998 a diplomatic conference will be convened to finalize and adopt a treaty that would establish such a court. The Secretary-General strongly supports this effort.

- **Millennium Assembly**

91. The advent of the new century and the millennium provides a timely opportunity for the United Nations to review progress and give future direction to the issues and proposals raised in this section. The General Assembly in the year 2000 could be convened as a special "Millennium Assembly" with a summit segment at which heads of Government could come together to articulate their vision of prospects and challenges for the new millennium and agree on a process for fundamental review of the role of the United Nations. Consideration could also

be given to encouraging representatives of civil society to hold a "People's Millennium Assembly" as a separate, companion event.

III. A NEW UNITED NATIONS FOR THE NEW CENTURY

92. The history of the twentieth century demonstrates decisively the utility of multilateralism. In the inter-war period, the nations of the world tried to organize the conduct of international relations on the basis of exclusionary trade and monetary blocs in economic affairs, and competitive bilateral alliances in the security realm. As a result, the fabric of international society, and of the League of Nations that served it, was so weak and so frayed that it could not restrain the atavistic forces pushing the world first towards economic warfare and then towards military conflagration. The generation of leaders that reconstructed the international order after the Second World War had this lesson uppermost in their minds. The United Nations was and still is a monument to their vision.

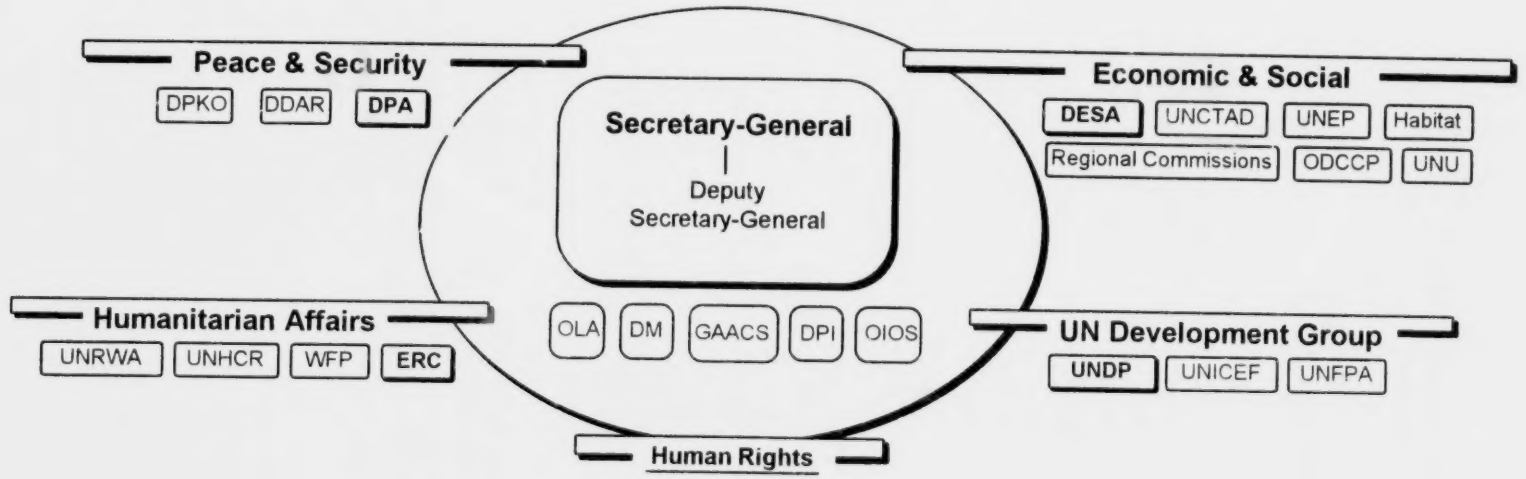
93. That same history also shows that orders of international relations based solely on the projection of power, uninformed and unrestrained by a shared sense of universal principles, rights and legitimacy, establish no lasting roots. They endure no longer than the asymmetries in material capabilities that gave rise to and sustained them. The framers of the United Nations firmly grasped this lesson as well, even as their political realism led them to reconcile universalistic principles with special roles and responsibilities of those most capable of contributing to their realization.

94. Lastly, twentieth century history shows the impressive adaptive capacity of international relations based on multilateral principles and norms. The last half century especially has witnessed successive waves of tumultuous changes, including the end of colonial empires, the outbreak and termination of the cold war, the emergence of new economic powers at an unprecedented pace, the immense expansion of the policy agenda with which nations are obliged to cope. In the past, fundamental change in the system of States was frequently associated with system-wide conflict. The post-Second World War edifice of multilateral organization has helped to stabilize geopolitical and economic transformations, at the global and regional levels alike, much as the generation that founded these organizations hoped they would.

95. Everything that is now known about the next quarter century or so -- be it demographic trends, shifts in global production structures, continued financial integration, relative rates of economic growth, predictable dislocations in the biosphere -- suggests that equally if not more far-reaching changes lie ahead. The international community, therefore, has an obligation to itself and to successor generations to put in place effective multilateral mechanisms that can successfully harness the mutual benefits such changes may offer while managing their adverse consequences. With the reforms proposed in the present report, the United Nations will be better equipped to play its part in meeting this challenge.

UNITED NATIONS

A Framework for Change



GLOSSARY OF ACRONYMS

Peace and security

DPA	Department of Political Affairs
DPKO	Department of Peacekeeping Operations
DDAR	Department for Disarmament and Arms Regulation

United Nations Development Group

UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNFPA	United Nations Population Fund

Humanitarian affairs

ERC	Emergency Relief Coordinator
UNHCR	United Nations High Commissioner for Refugees
WFP	World Food Programme
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East

Economic and social

DESA	Department of Economic and Social Affairs
Regional commissions	Economic Commission for Europe, Economic and Social Commission for Asia and the Pacific, Economic Commission for Latin America and the Caribbean, Economic Commission for Africa, Economic and Social Commission for Western Asia
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
Habitat	United Nations Centre for Human Settlements
ODCCP	Office of Drug Control and Crime Prevention
UNU	United Nations University

General services

OLA	Office of Legal Affairs
DM	Department of Management
GAACS	Department of General Assembly Affairs and Conference Services
DPI	Department of Public Information
OIOS	Office of Internal Oversight Services

Explanatory note for chart

This chart places the various United Nations entities under the sector to which they principally contribute. A number of entities contribute to the work of more than one. Human rights (comprising the Office of the High Commissioner and the Centre for Human Rights) is introduced in the chart as a distinct sector but it also constitutes an integral dimension of all sectors.

PART TWO: MEASURES AND PROPOSALS

96. The new leadership and management structure described in Part One entails several important changes in the leadership capacity of the Secretariat. The main actions and recommendations are as follows.

> **Action 1. A Senior Management Group will be established in the Secretariat, comprising the convenors of the four Executive Committees, together with several additional senior officials selected by the Secretary-General. Its primary responsibility will be to assist the Secretary-General in leading the process of change and instituting sound management throughout the Organization.**

> **Action 2. A Strategic Planning Unit will be set up in the Office of the Secretary-General to identify emerging global issues and trends, analyse their implications for the Organization and devise policy recommendations for the Secretary-General and the Senior Management Group.**

Recommendation:

That the General Assembly establish the post of Deputy Secretary-General, with responsibilities as outlined in paragraphs 37 and 38 above. This recommendation will be the subject of a separate submission by the Secretary-General to the General Assembly.

IV. NEW APPROACHES TO POLICY FORMULATION

97. The General Assembly is the organ of the United Nations which most fully embodies the universal and democratic character of the world Organization. It sets the overall policy framework within which the United Nations system as a whole operates. As part of its broad responsibilities and powers under Chapter IV of the Charter, the Assembly has specific oversight authority regarding budgetary and administrative matters. As the only intergovernmental body with a broad mandate to discuss "any matters within the scope of the present Charter" (Art. X), the Assembly stands at the apex of the United Nations system and has a crucial role to play in providing leadership and broad policy guidance as the Organization and the United Nations system prepare to meet the changing needs of the world community in the next century. Recent years have witnessed repeated calls for the revitalization of the Assembly to allow it to play the role envisaged for it in the Charter more effectively. As part of the reorganization of the Secretariat, the Secretary-General has consolidated the servicing of the General Assembly and other legislative bodies in a new Department of General Assembly Affairs and Conference Services. In convening the Open-Ended High-Level Working Group on the Strengthening of the

United Nations System, the Assembly recognized the need to take steps to reinforce its work and that of the Secretariat. The deliberations of the Working Group have focused on a wide range of issues critical to any reform effort.

98. It is largely at its special conferences that the United Nations attracts widespread attention and media coverage, and these are usually concentrated within a period of two weeks. Such conferences have proven to be extremely valuable to the United Nations and the world community, particularly in focusing a high degree of public and political attention on important issues and providing the basis for agreement on measures to deal with them. In the light of this experience, it may be desirable to incorporate the principal features of United Nations conferences into the working methods of the General Assembly. This could be accomplished by having the Assembly decide, two years in advance, on an issue or theme to be the subject of a high-level one-week segment. Preparations for that segment would be the responsibility of the Economic and Social Council, in areas under its purview, or of other appropriate intergovernmental bodies, which in turn could employ many of the techniques and modalities developed for the preparation of United Nations conferences. The adoption of such an approach could improve both the public interest in and political effectiveness of the Assembly, as well as the Economic and Social Council, and could reduce, though certainly not replace, the need for some United Nations conferences.

99. It is further proposed that a thematic approach be adopted for the work of the Main Committees. At present, some Main Committees have arrangements to focus or pay attention to an area or subject at each General Assembly session. These arrangements are not comprehensive, however, and indeed are essentially ad hoc. If each Main Committee would decide in the previous year on a thematic focus for consideration the following year, it would allow the Assembly, on an annual basis, to have a group of themes that would represent a concerted effort on the part of the international community to make progress in designated areas of current concern.

100. The large and varied scope of the agenda of the Assembly, which consists of 168 items during the current session, presents a challenge to Member States and to the Secretariat in terms of appreciating the range and scope of the issues under consideration. The agenda of the Assembly constitutes, in effect, an overall annual work programme of the Organization, which involves both the intergovernmental machinery and the Secretariat. Considered from this perspective, there would be value in the Assembly identifying an accepted and authoritative

instrumentality around which it could conceptualize and organize its agenda. That instrument exists in the priority areas of the medium-term plan for the period 1998-2001.[1]

101. The outcome of the Assembly's discussions on most of the items on its agenda is currently reflected in resolutions in an established format, which comprises several preambular and operative provisions. The negotiation of these texts can be very time consuming. It is suggested that the adoption of formal resolutions be reserved for outcomes that involve policy recommendations addressed to Member States and the international community. Requests for reports by the Secretary-General or other procedural outcomes could be reflected in simple decisions to be drafted by Committee Chairmen for adoption by the Assembly. This would make it possible for negotiations to be concentrated on the most important policy issues, and serve to highlight the impact of the Assembly's work on policy development. The adoption of a thematic approach to the work of the Main Committees of General Assembly, and the time saved by negotiating resolutions on a smaller number of items, should make it possible to reduce the length of the annual sessions of the Assembly by at least three weeks.

---

[1] (a) Maintenance of international peace and security;

(b) Promotion of sustained economic growth and sustainable development in accordance with the relevant resolutions of the General Assembly and recent United Nations conferences;

(c) Development of Africa;

(d) Promotion of human rights;

(e) Effective coordination of humanitarian assistance efforts;

(f) Promotion of justice and international law;

(g) Disarmament;

(h) Drug control, crime prevention, as well as combating international terrorism in all its forms and manifestations.

Recommendations:

That the General Assembly:

(a) Decide, two years in advance, on an issue to be the subject of a special high-level, one-week segment;

(b) Decide to incorporate the principal features of United Nations conferences into the working methods of the General Assembly;

(c) Decide to arrange for each of its Main Committees to have an annual thematic focus for its work, which would represent a collective effort to address in each Assembly session a number of areas of current concern;

(d) Decide to conceptualize and organize its agenda around the eight priority areas of the medium-term plan of the Organization;

(e) Decide that normally policy recommendations to Member States and the international community would be in the form of resolutions while procedural or work programme conclusions would be in the form of concise decisions;

(f) Decide that the main part of its annual sessions, beginning on the third Tuesday in September, would not extend beyond November.

102. Reform of the Security Council is of great importance for its functioning and legitimacy. Within the General Assembly, there have been intensive and prolonged discussions regarding the expansion of the Council, an issue that can be resolved only by Member States. This is a key issue for the United Nations and a positive resolution of it would contribute to the prospect of moving forward with other issues.

103. The enhanced prominence of the Council has also resulted in intense scrutiny of its procedures and working methods. Steps have been taken to regularize exchanges of information and dialogue with non-Council members, including regular consultations with the troop contributors and other concerned States. These changes, however, have not completely addressed all of the concerns of non-Council members and efforts should continue to enhance transparency and broaden support for Security Council decisions.

V. FOCUSING ON SUBSTANTIVE PRIORITIES

A. Peace, security and disarmament

104. The end of the cold war transformed the international context of United Nations missions and activities. In the area of peace and security, the Organization now finds itself primarily concerned with intra-State conflicts, often with serious international implications and, in many cases, complex humanitarian emergencies. Recent trends suggest that these types of conflicts will continue to require priority attention by the United Nations.

105. The Security Council, after decades of stalemate, is now at the centre of international efforts to maintain international peace and security. There is widespread agreement on some of the concepts to guide action by the United Nations in the peace and security field: recognition of the role of the Secretary-General in preventive action; the need for comprehensive approaches in which the political, human rights, military, humanitarian and developmental assets of the Organization are deployed to promote peace and human security; and a coherent engagement and partnership with regional organizations and other external actors.

106. The complexity of the peacekeeping mandates of the Security Council and the lack of sufficient resources and political will to implement them has undermined United Nations efforts in a number of conflicts. It is, however, clear that peacekeeping will remain an indispensable instrument of the United Nations and it is thus crucial to maintain the Organization's capacity to plan, manage and conduct these operations efficiently and successfully.

107. The United Nations does not have, at this point in its history, the institutional capacity to conduct military enforcement measures under Chapter VII. Under present conditions, ad hoc coalitions of willing Member States offer the most effective deterrent to aggression or to the escalation or spread of an ongoing conflict. As in the past, a mandate from the Security Council authorizing such a course of action is essential if the enforcement operation is to have broad international support and legitimacy.

108. In recent years, the Security Council has called, with increasing frequency, for economic sanctions as an enforcement tool under Chapter VII. The universal character of the United Nations makes it a particularly appropriate body to consider and oversee such measures. Consideration needs to be given, however, to making these sanctions more effective in achieving the goal of modifying the behaviour of those targeted, while limiting the collateral damages. There is also a need to address the broader humanitarian and economic effects of sanctions, as well as objective criteria in their application and for their termination.

109. At the present time, the vision of the Charter of a workable system of collective security has yet to be fully realized. The Organization still lacks the capacity to implement rapidly and effectively decisions of the Security Council calling for the dispatch of peacekeeping operations

in crisis situations. Troops for peacekeeping missions are in some cases not made available by Member States or made available under conditions that constrain an effective response. Peacemaking and human rights operations, as well as peacekeeping operations, also lack a secure financial footing, which has a serious impact on the viability of such operations.

Preventive action

110. The prevalence of intra-State warfare and multifaceted crises in the present period has added new urgency to the need for a better understanding of their root causes. It is recognized that greater emphasis should be placed on timely and adequate preventive action. The United Nations of the twenty-first century must become increasingly a focus of preventive measures.

111. The Organization is already maintaining a global watch to detect potential threats to international peace and security with the objective of supporting the efforts of the Security Council and the Secretary-General to deter conflict. Improving this capacity will require close contact with the Security Council and stronger cooperation with Governments, especially those with relevant capabilities, as well as with regional or subregional organizations, non-governmental organizations and academic and other institutions.

Peacekeeping

112. A critical lesson from past experience is the need to be able to deploy operations quickly so as to establish a credible presence at an early stage and prevent a further intensification of armed conflict. Consultations are currently under way with Member States to explore the optimal means of funding the nucleus of a rapidly deployable mission headquarters -- a small, multidisciplinary group which would be the first in the field to set an operation in motion.

113. Preparedness on the part of the Organization must be coupled with the ready availability of trained and equipped troops. A number of States, within the context of the United Nations standby arrangements, are developing units that could deploy immediately upon a decision of the Security Council. Most encouraging is the decision of a group of Member States to participate in the establishment of a standby high-readiness brigade. The availability of troops continues to depend on whether their respective Governments are prepared to commit them on a case-by-case basis. An effective system of global security can be said to exist only if the Council can dispatch military forces rapidly and with the requisite predictability and reliability.

114. Serious financial constraints have often affected the establishment and proper functioning of peacekeeping operations. The peacekeeping accounts have furthermore had to be used to cover shortfalls in the United Nations regular budget. The result is a delay in payments to troop-contributing countries. This is an intolerable situation that cannot be allowed to continue. If the Organization is to continue its work for international peace and security, and do it well, it needs

the continuity provided by a sufficient base of resources from the regular budget, mission budgets and the support account for peacekeeping operations.

115. Considerable difficulties are also at times encountered in negotiating and properly implementing a status-of-forces agreement. Amendments proposed by certain host Governments sometimes constitute fundamental departures from the customary practices and principles applicable to United Nations peacekeeping operations, and negotiating on such a basis delays the conclusion of an acceptable agreement. A time-frame prescribed by the Security Council for the conclusion of the status-of-forces agreement and an inclusion in the resolution establishing the operation of a provision to the effect that the model status-of-forces agreement (see A/45/594) shall apply provisionally, pending the conclusion of such an agreement, would contribute to expediting its conclusion.

Recommendations:

That Governments possessing the relevant capabilities establish the practice of providing information to the Secretary-General that would strengthen his efforts in preventive action.

That the Security Council and the General Assembly consider measures to enhance the rapid reaction capacity of the United Nations.

That the Security Council, in establishing a peacekeeping operation, prescribe a time-frame for the conclusion of the status-of-forces agreement between the United Nations and the host Government for the operation in question and, pending the conclusion of such an agreement, the model status-of-forces agreement would apply provisionally.

Cooperation with regional organizations

116. Different regional organizations have been involved in preventive action, peacekeeping and other peace-related activities carried out under a Security Council mandate. Based on Chapter VIII of the Charter, the Organization has developed a number of complementary efforts with regional organizations and arrangements in carrying out these activities. These have included codeployment of field operations, such as in Georgia and Liberia and the designation of a joint United Nations-Organization of African Unity Special Representative for the Great Lakes. Cooperation with regional organizations will be intensified and regional organizations will increasingly become partners of the United Nations in all activities related to the maintenance of international peace and security, including conflict-prevention.

Secretariat reforms

117. It is now widely accepted that present-day conflicts have many dimensions that must be addressed comprehensively and require more integrated and coordinated action. Wide-ranging reforms have already been put in place, and cooperation between the Department of Political Affairs, the Department of Peacekeeping Operations, the Department of Humanitarian Affairs and other relevant departments and entities called upon to mount and participate in field operations has been considerably expanded. Lines of authority and reporting from field missions have been clarified and information-sharing and coordination between the Departments and with other entities of the system, particularly on humanitarian matters, has been enhanced. The Executive Committees on Peace and Security and Humanitarian Affairs will examine ways to strengthen cooperation among the Departments concerned, in particular with regard to information-gathering and analysis and to gain the maximum possible benefit from lessons learned in the conduct of field missions.

118. Within the Department of Peacekeeping Operations, civilian-military integration is being tightened and reinforced. While much has already been accomplished in this regard, further progress will be difficult as long as a number of units, in the absence of budgeted posts, are staffed almost entirely by gratis military officers. The existing capacity of the Department of Peacekeeping Operations must be consolidated by ensuring civilian-military cooperation in all areas from the planning and preparation of an operation through its implementation, closure and post-mission analysis. This can be achieved only with a budget that reflects the Department's real personnel requirements.

119. An integrated approach is particularly important in the field, where lack of cohesion or differences among the United Nations entities can be exploited by the parties. It is for this reason that the role of the Special Representative of the Secretary-General is so vital. In countries where large multidisciplinary field operations are in place, the Special Representative will ensure that the efforts of the different components of the system are mutually reinforcing. In such circumstances, the Special Representative has authority over the force commanders, civilian police commissioners, resident coordinators and humanitarian coordinators.

Action 3: A plan will be developed to phase out the use of gratis personnel in the Secretariat at the earliest possible date.

Action 4: In the field, the Special Representative of the Secretary-General will have authority over all United Nations entities.

Post-conflict peace-building

120. In recent years, post-conflict peace-building has assumed new prominence in the work of the United Nations. The concept of post-conflict peace-building refers to the various concurrent and integrated actions undertaken at the end of a conflict to consolidate peace and prevent a recurrence of armed confrontation. Peace-building may involve the creation or strengthening of national institutions; the monitoring of elections; the promotion of human rights; the provision of reintegration and rehabilitation programmes; and the creation of conditions for resumed development. Peace-building does not replace ongoing humanitarian and development activities in countries emerging from crises. Rather it aims to build on them and introduce further activities or reorientation of existing ones which, in addition to their intrinsic humanitarian or development value, are politically relevant because they reduce the risk of a resumption of conflict and contribute to creating conditions most conducive to reconciliation, reconstruction and recovery. The multidimensional nature of such an enterprise demands effective coordination measures.

121. As focal point and convenor of the Executive Committee on Peace and Security, the Department of Political Affairs will work particularly closely with the Office of the High Commissioner for Human Rights, the Department of Peacekeeping Operations, the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Development Programme (UNDP) and the World Bank, bearing in mind in particular the importance of determining the point at which the emphasis on a peace-building role will give way to full-fledged reconstruction and development activities. Task forces will continue to be established to ensure integrated action by the entire United Nations system, the chairmanship being decided on each occasion on a pragmatic basis. The focal point will support and reinforce the work of these task forces.

> **Action 5: With immediate effect, the Department of Political Affairs, in its capacity as current convenor of the Executive Committee on Peace and Security, will be the focal point within the United Nations for post-conflict peace-building. The Executive Committee on Peace and Security, in collaboration with other executive committees as appropriate, will be responsible for the design and implementation of post-conflict peace-building initiatives, including the definition of objectives, criteria and operational guidelines for post-conflict peace-building by the organizations of the United Nations system.**

Disarmament and regulation of armaments

122. Disarmament is a central issue on the global agenda. With the end of the superpower rivalry, nations everywhere have come to recognize their stake in the success of multilateral negotiations and the monitoring of weapons developments. As a consequence, the United Nations has taken centre stage in the worldwide effort to limit both weapons and conflict.

Within the framework of the Conference on Disarmament and the General Assembly, significant advances have been made in the establishment and consolidation of multilateral legal instruments and nuclear-weapon-free zones. A valuable role has also been played by the Disarmament Commission.

123. The momentum towards nuclear disarmament has increased significantly with the signing of the Comprehensive Nuclear Test Ban Treaty and its endorsement by the General Assembly; the indefinite extension of the Nuclear Non-Proliferation Treaty; the establishment of the African Nuclear-Weapon-Free Zone; efforts to bring fully in force the Treaty of Bangkok, which establishes a Nuclear-Weapon-Free Zone in South East Asia; and the strengthening of Non-Proliferation Treaty safeguards by the International Atomic Energy Agency (IAEA). Other positive developments have been the entry into force of the Chemical Weapons Convention and the strengthening of the prohibition against biological weapons. Recent progress in the effort to reduce and eliminate landmines is also of crucial importance to the United Nations.

124. The emergence of new dangers and actors has added new urgency to the tasks that the United Nations is called upon to play in the area of disarmament. In the post-cold-war period, there is a growing threat from the spread of nuclear weapons technology and material, as well as a wider interest in acquiring biological and chemical weapons and means of delivery for such weapons. Regional warlords, criminal syndicates and various terrorist groups have, during recent years, become involved in trading in and the acquisition of weapons of mass destruction. The extensive use and destructive power of landmines in areas of armed conflict and the flow of conventional weapons and small arms into the hands of civilians have become items on the international agenda and have often to be addressed in the context of peacekeeping operations.

125. A managerial reorganization of Secretariat capacities will now be effected so that a structure will be in place to respond effectively to the priorities of Member States in the disarmament area. A new Department for Disarmament and Arms Regulation will be established, replacing the Centre for Disarmament Affairs. It will be based in New York to ensure effective interaction with the General Assembly, the Security Council, the Office of the Secretary-General and relevant United Nations departments. Since the Conference on Disarmament meets in Geneva for three to four months every year, it will require continuing support. Therefore, existing staff capacity to support the Conference on Disarmament, the monitoring of multilateral disarmament treaties and conventions, fellowship and training programmes and the United Nations Institute for Disarmament Research (UNIDIR) will continue to be maintained in Geneva. The Director-General of the United Nations Office at Geneva will continue to act as the Secretary-General of the Conference on Disarmament reporting directly to the Secretary-General.

Action 6: A Department for Disarmament and Arms Regulation, headed by an under-secretary-general, will be established.

126. Taking into account new developments and trends indicated above, Member States may consider it appropriate to review the current multilateral negotiating or deliberative structures and their agendas with a view to updating and rationalizing them.

Recommendation:
That the General Assembly undertake a review of the work of the Disarmament Commission and the First Committee with a view to updating, rationalizing and streamlining their work.

B. Economic and social affairs

127. International economic and social cooperation and the promotion of conditions of economic and social progress and development were considered by the founders of the United Nations as being among the prime purposes of the Organization. Finding ways to advance this fundamental goal under changing conditions remains a high priority and should be a principal objective of the United Nations reform process. The Organization must strengthen the capacity to address long-standing obstacles to development and, at the same time, equip itself to meet new and emerging challenges.

128. The strengths and potential of the United Nations in this area are considerable. It is the only institution that has the breadth of mandate to address the root causes of instability and conflict and to pursue in a comprehensive and integrated manner the wide array of economic, social and environmental issues impinging on development. The Organization is also best placed to build bridges of cooperation and the necessary partnership for development among Governments, the private sector, civil society and regional and global organizations. Many of the issue areas affecting development have been comprehensively addressed in the international conferences organized by the United Nations in the 1990s. The cross-cutting and common themes emerging from these conferences require common policy approaches and treatment, and a common effort at ensuring sustained follow-up. Taken together, they represent a framework for an integrated, systemic approach to socio-economic development in its widest sense.

129. The contribution of the United Nations is particularly important at a time of shifting paradigms in socio-economic development philosophy and thinking. As a global centre for innovative thinking and consensus-building, the United Nations should make maximum use of its analytical capacities to identify common problems and recommend solutions. Through its normative activities, the Organization can help to bring about an external environment that allows all countries and their enterprises to compete in international markets on an equal footing; and, through its advisory and operational activities, it can help to develop the tools and human resource capabilities that address the supply-side constraints faced by many countries. The United Nations must continue to endeavour to affect economic decisions taken in other forums

from the perspective of the developing countries and remains best placed to build consensus based on the perspective of interdependence between issues, and to identify the means by which sustained and sustainable development can be realized by all countries.

The role of the Economic and Social Council

130. The Economic and Social Council needs to be positioned to play more effectively the role envisaged for it in the Charter. In the longer term, a fundamental rethinking of the role of the Council may be required, given the experience of the past 50 years and new economic and social realities, including providing it with greater authority through Charter revision. An immediate priority is to enhance the essential policy management and coordinating roles of the Economic and Social Council and to equip it to fulfil better its role in the macroeconomic policy coordination dialogue. The Council also needs to organize its sessions and reporting procedures better and to rationalize its subsidiary machinery, including the governing bodies of United Nations funds and programmes.

Organization and methods of work of the Economic and Social Council

131. In recent years, the Council has begun to organize itself in more effective ways so as to enhance its contribution to the international policy coordination dialogue. The "one-day" policy dialogue established by the Council brings together the executive heads of the World Bank, the International Monetary Fund (IMF), the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) in a unique dialogue with the membership of the Organization. The policy dialogue, together with the debate that takes place at the high-level segment with the participation of a growing number of ministers and senior officials from capitals, demonstrates that Member States want the Council to play a distinct role in the macroeconomic policy coordination dialogue. In order to strengthen that role further, the Council could be reliably assisted by panels of experts supported by an identifiable, dedicated secretariat that would facilitate consideration of timely and relevant issues. Convening specialized panels on particular subjects would allow the Council to secure the advice of leading experts. At the same time, it is proposed that the Committee for Development Planning could, consequently, be discontinued.

132. The informal dialogue with heads of United Nations funds and programmes that takes place at the high-level meeting of the Council's "operational activities for development segment", has also been proving increasingly useful. The Council, through this segment, is also called upon to give coherent policy guidance on a system-wide basis to operational activities for development. This requires improved preparations, so that key policy issues arising from the reports of the executive boards of the funds and programmes are effectively identified, and a level of participation in the Council that can give the necessary political weight to the policy prescriptions emanating from it. The active participation of the least developed countries, which

are the beneficiaries of operational activities, is especially important in order to render the dialogue more meaningful.

133. The general segment of the Council where the reports of its subsidiary bodies are reviewed should also be more focused. The reports of the subsidiary bodies are now taken up sequentially without sufficient attention to the linkages between them. Furthermore, the consideration by the Council of the reports of the subsidiary bodies is largely procedural, rather than policy-oriented. There is also a clear need to enhance the Council's capacity to manage ex ante rather than ex post the work programme of its functional commissions.

134. A recommendation that the Council institute a segment on humanitarian affairs is contained in paragraph 197 of the present report. Recommendations on the strengthening of substantive secretariat support for the Council are dealt with, together with other secretariat reforms, in paragraphs 138 to 142 below.

Recommendations:

That the Economic and Social Council consider holding its various segments at different, pre-established periods during the year, without affecting the total duration of the meetings held by the Council in any given year. This should facilitate attendance at these segments by the ministers directly concerned with the themes and policy issues considered at each of these segments. The duration of the operational activities segment should be extended to enable the Council to provide effective policy guidance to the work of the different programmes and funds.

That the Committee for Development Planning be replaced by panels of experts on various policy issues set up by the Economic and Social Council on an ad hoc basis, whose members would be appointed on the recommendation of the Secretary-General.

That the work of the operational activities for development segment be enhanced by extending the length of the segment and establishing a trust fund to facilitate the participation of officials from the least developed countries in the segment.

Reform of the subsidiary bodies

135. In order to assist the Economic and Social Council in its review of its subsidiary machinery, in accordance with General Assembly resolution 50/227, and guided by the spirit and intent of the resolution, proposals for a wide-ranging consolidation and reconfiguration of the subsidiary machinery that seek to exploit complementarities and provide opportunities for cross-fertilization have been developed for consideration by Member States. The main purpose of presenting these proposals is to provide a technical input and contribution to the deliberations

that are currently under way. Details of the recommendations and the rationale for them are contained in a background note to be made available to the General Assembly.

Recommendations:

(a) That the work and functions of the Committee on New and Renewable Sources of Energy and Energy for Development and the Committee on Natural Resources be consolidated into the Commission on Sustainable Development;

(b) That the Commission on Science and Technology for Development become a subsidiary body of the UNCTAD Trade and Development Board with the UNCTAD secretariat continuing to provide substantive servicing of the Commission;

(c) That the functions of the Commission on Crime Prevention and Criminal Justice and the Commission on Narcotic Drugs be consolidated into a single Commission under arrangements that will fully preserve the treaty-based functions entrusted to the latter. The International Narcotics Control Board would report to the new Commission;[2]

(d) That the Intergovernmental Group of Experts on International Standards of Accounting and Reporting be maintained as an expert body reporting through the UNCTAD Commission on Investment, Technology and Related Financial Issues;

(e) That the work of the Ad Hoc Group of Experts in International Tax Matters be reviewed after the completion of its present mandate;

(f) That the Committee on Economic, Social and Cultural Rights report to the Economic and Social Council through the Commission on Human Rights.

Regional commissions and the reform process

136. Numerous studies have been undertaken with regard to the role of the regional commissions. While an increasing number of regional and subregional integration groupings are being established, the regional commissions remain the bodies that are par excellence politically neutral and democratic and where each country of the region has an equal voice. The regional commissions have nonetheless been acutely aware of the need to redefine their role in response to changing circumstances and the emergence of these integration groupings. In certain cases, major changes in membership have taken place, partially owing to developments in Central and Eastern Europe. The commissions also need to consider their role in the context of global

[2] See also in this connection paras. 143-145 below.

organizations. Recently, reform efforts have been intensified by the commissions which, to varying degrees, have streamlined both their intergovernmental and their secretariat structures.[3]

137. The reform efforts of the regional commissions have not involved an overall review of their role within a reformed United Nations. In consequence, there are a number of general issues, spanning the work of the commissions, which the Economic and Social Council should address.

Recommendation:

That the Economic and Social Council initiate a general review of the regional commissions, in consultation with other regional bodies and Governments, bearing in mind the individual reviews each commission has already conducted, in order to consider the core competencies of the regional commissions vis-à-vis global bodies and other regional and subregional intergovernmental bodies; and evaluate the most appropriate division of labour with regard to both standard-setting and technical cooperation activities and prospects for further rationalization and consolidation.

Reform of the Secretariat

138. At the Secretariat level, a series of measures are under way in order to ensure the most rational use of the resources available to the Organization in this area. Emphasis is being placed on identifying areas of strength in which recognized competencies have been developed in various parts of the Secretariat; reducing fragmentation of skills and duplication of efforts; creating the necessary synergies and critical mass in each sector in order to raise the quality of analyses and operations; and streamlining and rationalizing delivery capacities.

139. The decision in March of this year to consolidate Secretariat departments in the economic and social field into a new Department of Economic and Social Affairs was intended to further these objectives. The establishment of the new Department followed an extensive reorganization of UNCTAD, involving both the UNCTAD secretariat and its intergovernmental machinery. The participation of UNCTAD and UNEP, along with the new Department of Economic and Social Affairs, in the Executive Committee on Economic and Social Affairs, is now making it possible for the Organization to address in a coherent way two key dimensions of development: the environmental and the trade/investment/technology nexus. In addition, the participation of the regional commissions in the Executive Committee ensures that global and regional aspects of development are harmonized and brought to bear, in a complementary way, on the work of the Organization, including substantive support provided to the Economic and Social Council. The

[3] For a more detailed review of reform measures undertaken, see the report of the Secretary-General on regional cooperation in the economic, social and related fields (E/1997/40).

Executive Committee is actively pursuing modalities to pool more effectively the Organization's resources and capacities in key areas, such as the preparation of economic and social surveys, and to achieve a more efficient division of labour within the Secretariat.

140. The capacity of the Secretariat to support the Council effectively needs to be enhanced through the establishment in the new department of an identifiable substantive secretariat, which would work in close cooperation and collaboration with the relevant departments, funds and programmes and organizations and agencies within the United Nations system. Such a secretariat would provide the main substantive support to the Council, particularly with regard to the high-level, coordination and operational activities segments. It would also prepare the annual report of the Council to the General Assembly as well as analytical, consolidated reports identifying cross-cutting policy issues arising out of the general segment and in support of the policy role of the operational activities segment. As part of that secretariat, an identifiable inter-agency affairs unit will be created, reinforced by staff seconded by programmes and agencies, to service the Administrative Committee on Coordination and promote continuous exchange of information and consultations throughout the United Nations system.

141. In giving effect to the decision to establish the Department of Economic and Social Affairs, adjustments are being introduced to improve the division of labour with other entities in the economic and social fields, taking into account also the proposed reforms in the intergovernmental process and structures. Particular attention is being given to reinforcing areas of work related to South-South cooperation and support to Africa and the least developed countries and small island developing States. It is intended that these areas would be given priority attention as a result of resources released from efficiency measures. Details will be provided in the revised budget estimates.

142. In order to enhance policy analysis within the United Nations, centres of excellence and critical mass need to be developed exploiting relative strengths and capacities available in the different economic and social entities within the Organization. The new Department has clear core competencies in areas such as an integrated approach to development; sustainable development; social development; advancement, rights and empowerment of women; and demographic and statistical work, as well as issues arising from the integrated follow-up to recent United Nations conferences. UNCTAD has core competencies in macroeconomic policy analysis in the context of interdependence and in support of the interrelated issues of trade and development.

Action 7:

(a) A substantive Economic and Social Council secretariat headed at a senior level will be established in the new consolidated Department of Economic and Social Affairs. Details will be contained in the revised budget estimates.

(b) The Department of Economic and Social Affairs and UNCTAD will undertake a review of their activities in the macroeconomic area in order to strengthen their cooperation and rationalize and enhance United Nations work in this area. This review will include options to reorient, reinforce and better focus the capacities of the United Nations to ensure its leadership in meeting priority information needs of the world community. Recommendations will be presented to the Secretary-General by 1 October 1997.

Drug control, crime prevention and combatting international terrorism

143. Government authority and civil society are increasingly threatened by transnational networks of crime, narcotics, money-laundering and terrorism. Access by underworld groups to sophisticated information technologies and weaponry as well as to the various instrumentalities through which the global market economy functions are vastly increasing the potential power and influence of these groups, posing a threat to law and order and to legitimate economic and political institutions. To both industrialized and developing countries, this is an issue of growing concern in which international cooperation is essential.

144. Drug control, crime prevention and combating international terrorism in all its forms and manifestations is one of the eight priority areas in the medium-term plan for the period 1998-2001. So far, the programmes are carried out by two separate entities, namely, the United Nations International Drug Control Programme (UNDCP) and the Crime Prevention and Criminal Justice Division, both located in Vienna. UNDCP services the Commission on Narcotic Drugs as well as the International Narcotics Board, while the Crime Prevention and Criminal Justice Division services the Commission on Crime Prevention and Criminal Justice. As the issues of drugs and crime clearly intersect, an organizational realignment of the two programmes would strengthen the United Nations capacity to respond to these critically important problems.

145. In order to enable the Organization to focus and enhance its capacity to address the interrelated issues of drug control and transnational crime, the Division for Crime Prevention and Criminal Justice will be strengthened and transformed into a Centre for International Crime Prevention. Capacities within the Centre to deal with international terrorism and increasingly serious phenomena such as money-laundering and trafficking in women and children will be enhanced. The balance in the work of UNDCP between combating drug trafficking and other components of drug control, including activities aimed at prevention and rehabilitation and the reduction of illicit supply through alternative development, will not be affected. At the same time, synergies between the work programme of the Centre and that of UNDCP will be enhanced, including through joint programmes on matters of common concern such as money-laundering. A common managerial structure would be established under an Executive Director managing UNDCP as well as the new Centre, who will also serve as Director-General of the United Nations Office at Vienna.

Action 8: Vienna will become the locus for United Nations efforts against crime, drugs and terrorism. The Division for Crime Prevention and Criminal Justice will be reconstituted as the Centre for International Crime Prevention and proposals submitted to Member States to strengthen its capacities. The new Centre and the United Nations International Drug Control Programme will together form a new Office for Drug Control and Crime Prevention.

C. Development cooperation

146. The nature of development has changed dramatically and is now characterized by greater political and economic openness as well as sensitivity to social and environmental concerns. Import substitution and barriers to trade are being replaced by export-orientation and the elimination of trade distortions. This has resulted in a dramatic increase in private sector capital flows, which have now become the primary engine for development in many countries that possess the requisite institutional base. The majority of developing countries, however, continue to have very limited access to private capital and depend on a diminishing pool of official development assistance (ODA) while struggling with problems of poverty, low levels of social development, environmental degradation and, in some cases, political instability. It is estimated that, in 1996, foreign direct investment in Asia amounted to US$ 48 billion, but just US$ 2.6 billion in sub-Saharan Africa.

147. The demands on the United Nations have expanded over time and are reflected in the mandates emanating from global conferences. Economic, environmental, social and political changes have added further priorities for development assistance, particularly in managing the effects of economic and political transition, ensuring sustainable livelihoods, reversing trends such as the feminization of poverty and redressing threats to the environment. Despite these growing needs, the key funds and programmes of the United Nations continue to face stagnation and lack of predictability and reliability in core contributions, accompanied by a significant growth in earmarked resources. Individually, the funds and programmes represent a very modest proportion of total resource flows for development purposes. The United Nations must therefore seek to reassess and refocus its role in development operations in relation to significant new entrants in the development assistance arena and important shifts in the policies and role played by others. In the context of development operations, in particular, the United Nations must develop closer cooperation with the World Bank, the International Monetary Fund and the regional development banks.

The importance of coherence and effectiveness in development operations

148. The diversity, distinctiveness and specialized focus of the United Nations funds and programmes involved in development operations provide important benefits to the United Nations and to developing countries. The reform process is designed to maintain and reinforce

the distinctive nature of these entities while seeking to facilitate their functioning in a more unified, cooperative and coherent framework as members of the United Nations family.

149. With the increasing realization that effective development requires a more holistic approach, there has been a tendency for each sectoral organization to broaden its activities to areas that overlap with others. This is a phenomenon witnessed in the case of all organizations of the system. Overlap of this type has increased the need for cooperation and coordination among the organizations concerned and compounded the problems created by the fragmentation of existing structures. At the country level, this fragmentation and overlap make it difficult for the United Nations to respond to the needs of countries in a consistent, coherent and cost-effective manner.

150. Fragmentation and overlap compound the problem of the decreasing relative size of United Nations operational activities resources in companion with other financial flows. Together, the expenditures of UNDP, the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) in 1994-1995 amounted to just US$ 4,706 million, covering 135 programme countries.[4] Despite the grant nature of this assistance, it remains a relatively limited amount. The way in which these resources are deployed, leveraged and managed is therefore critical to their effectiveness and impact.

151. The General Assembly, beginning at its forty-fourth session, had adopted a series of resolutions that have sought to address these issues.[5] While stressing that the mandates of funds and programmes should be respected and enhanced, it emphasized that the "separate funds and programmes and specialized agencies must make a commitment to work together to integrate assistance provided by the United Nations system into the development process of the recipient countries in a fully coordinated manner". It has "stressed that coordination in funding arrangements and procedures should maximize complementarities and avoid duplication so as to increase the positive impact of development cooperation activities on the development of developing countries". The General Assembly has also emphasized that "the United Nations system at the country level should be structured and composed in such a way that it corresponds to ongoing and projected cooperation programmes rather than to the institutional structure of the United Nations system".

152. The work done by the Executive Committee on Development Operations constitutes important progress in the implementation of the changes announced on 17 March of this year. UNDP continues as the manager and funder of the Resident Coordinator system. The Resident

---

[4] See the report of the Administrative Committee on Coordination to the Economic and Social Council on programme resources of the United Nations system for the biennium 1994-1995 (E/1995/64).

[5] General Assembly resolutions 44/211 of 28 December 1989, 47/199 of 22 December 1992 and 50/120 of 20 December 1995.

Coordinator system will be strengthened by the selection of Resident Coordinators from all organizations concerned. The Executive Committee on Development Operations has agreed on a series of measures designed to advance this process, while identifying some areas on which further consultations are required.

153. On the basis of this experience, it is now feasible to move into the next phase of this process with the designation of the United Nations Development Group to supersede the sectoral group on development operations. The Development Group Executive Committee will be reconstituted under the leadership of the convenor of the Executive Committee, the Administrator of UNDP. Its membership will consist of UNDP, UNICEF and UNFPA with participation by others in respect of matters relevant to their interests and mandates. The Development Group Executive Committee will further sharpen the contributions that each entity is called upon to make to the overall objectives of the Organization, while helping each entity to avoid duplication and build on the work and capacities of others; serve as a policy development and management instrument geared to contributing to, and effecting, policy, administrative and operational decisions in each entity, while at the same time strengthening decision-making processes in the Organization as a whole; provide a forum for heads of entities to consult on submissions to their governing bodies on both substantive and administrative matters that have implications for other members of the Group or for the Organization as a whole; contribute to strengthening policy coherence and cost-effectiveness by avoiding duplication and by pooling resources and services so as to maximize programme impact and minimize administrative costs; share draft work programme and budget documents sufficiently in advance of their finalization and submission to the relevant governing bodies to make such consultations a meaningful phase in the programming process; and promote a more unified United Nations presence at the country level through, inter alia, providing a forum for concerted directives to Resident Coordinators and field representatives in order to ensure more integrated and consistent substantive support from headquarters for their work.

154. In providing for improved modalities of cooperation, the establishment of the United Nations Development Group will in no way dilute or compromise the distinctive character or identity of participating organizations or the accountability of their heads vis-à-vis the Secretary-General or their respective governing bodies. On the contrary, it would serve to strengthen their individual and collective capacities to respond more effectively to policy directives and requirements. This arrangement also preserves the individual resource mobilization capability and responsibilities of the individual funds and programmes, while enabling a greater proportion of their funds to be utilized directly in substantive programmes. It should, at the same time, serve to strengthen support for the essential intergovernmental organs -- the General Assembly and the Economic and Social Council -- by helping these organs to focus the exercise of their governance responsibilities better and by introducing a more effective collective mechanism for preparing and following up their overall policy directives.

155. Building on the significant progress already made, the United Nations Development Group will continue to pursue harmonized or common programme and budget frameworks, services, facilities, administration and personnel practices.

156. The International Fund for Agricultural Development (IFAD) is the one major operational fund of the United Nations system that would not be covered by the United Nations Development Group. Despite its status as a specialized agency, there would be considerable benefit to the closest possible association between IFAD and the main funding institutions of the United Nations that have an operational presence at the country level.

157. The World Food Programme (WFP), while operating primarily in the humanitarian field, continues to have significant field operations related to development, particularly in the areas of transport, food for work and school feeding. WFP will therefore be invited to be associated with the United Nations Development Group and to participate in its Executive Committee in areas relevant to its operations and interests.

Action 9:

(a) The United Nations Development Group will supersede the current sectoral group on development operations and will be led by a reconstituted Executive Committee chaired by the current convenor of the Executive Committee on Development Operations, the Administrator of UNDP. The membership of the Development Group Executive Committee will consist of the heads of UNDP, UNICEF and UNFPA, with provision for the participation of other organizations in areas relevant to their interests.

(b) The Executive Committee of the United Nations Development Group will be asked to develop counterpart arrangements at the country level.

The country level

158. The main focus of development operations will continue to be at the country level, where programmes are deployed in support of national priorities. Focusing programmes on national priorities in line with General Assembly resolutions will ensure relevance, preserve national ownership and foster the successful development of national capacity.

159. The General Assembly has decided that, "in order to enhance coherence and programming and resource utilization, programme development and component approval, capacity and authority should be further decentralized to the field offices, which should be provided with the necessary technical and substantive expertise". It further urged, in this context, that governing bodies of all funds, programmes and specialized agencies should ensure that the prescribed limits on field-level authority for cancelling, modifying and adding activities within approved

programmes and for shifting resources within approved budget lines of individual components of a programme and among components of a programme with the approval of national authorities should be expanded to become equal and uniform to the maximum extent possible in the context of enhanced accountability.

160. While the establishment of a United Nations Development Assistance Framework through the United Nations Development Group must necessarily include coordination and coherence in respect of fund-raising, it must not weaken or undermine the authority and independence of individual fund-raising activities of UNICEF, UNFPA, UNDP and other funds and programmes. This requires that each be able to retain the capacity to solicit, deploy and be accountable to donors for contributions designated for their programmes. The budget of each of these funds and programmes will continue to be clearly identifiable. In addition, full accountability for funds raised will remain vested in the individual entities. Furthermore, country representatives will remain directly responsible to the executive heads concerned on all issues related to the individual country programmes as well as policy matters and issues related to their mandates.

161. There have been encouraging indications that if the proposed improvements in consolidation at the country level are effected, some developing funding agencies may be prepared to utilize the United Nations Development Assistance Framework for deployment of their assistance to the country.

Action 10:

(a) In order to achieve goal-oriented collaboration, programmatic coherence and mutual reinforcement, the United Nations programmes of assistance will be formulated and presented as part of a single United Nations Development Assistance Framework with common objectives and time-frame. Programme funds managed by each of the programmes and funds would be included in the document, but remain clearly identifiable. Preparation would entail collaborative programming and close consultation with Governments, including compatibility with country strategy notes wherever they exist.

(b) All funds and programmes and United Nations information centres will be part of a single United Nations office under the Resident Coordinator as the designated representative of the Secretary-General and leader of the United Nations country team, who would be accredited to the head of Government.

(c) Common premises of the United Nations at the country level will be named "UN House". The office in South Africa will be the first such case with the designation of "UN House" coming into immediate effect.

Governance of the funds and programmes

162. Enhanced governmental management of funds and programmes would be greatly facilitated by greater integration of the oversight that Member States provide.[6] It is recommended that the UNDP/UNFPA and UNICEF Executive Boards continue to be convened back to back, with joint meetings as appropriate and with joint committees comprising members of both Boards to review issues and matters of common concern to all of the United Nations Development Group constituent entities, including the collaborative country programming produced by the United Nations Development Assistance Framework process.

Recommendation:
Member States are invited to consider arrangements for closer integration of the governance oversight of UNDP/UNFPA and UNICEF with consecutive and/or joint meetings of the existing Executive Boards, and the convening of joint committees to review issues and matters of common concern.

Fostering a constructive partnership between the United Nations and the Bretton Woods institutions

163. The World Bank's "Strategic Compact: Renewing the Bank's Effectiveness to Fight Poverty" focuses the World Bank on "human development ... environmentally and socially sustainable development ... poverty reduction and economic management ... and finance, private sector and infrastructure". The Bank is also moving rapidly to decentralize its operations to the regional and country level. The movement of the World Bank into areas similar to those hitherto in the purview of the United Nations will bring additional resources to bear on similar objectives. However, this brings added urgency to the task of ensuring an appropriate distribution of responsibilities between the World Bank Group and the United Nations for the benefit of programme countries. This should take the form of a functional rationalization in a complementary and cooperative manner between the work of the United Nations and the World Bank. Such a rationalization would enable both institutions to operate in the same sectors in a complementary manner. This rationalization of functional roles and mandates will require the support and endorsement of States members of the World Bank in its Executive Board and Board of Governors. Governments play an important role in bringing the United Nations and the World Bank together not just at the intergovernmental level, but at the country level as well.

---

[6] The Economic and Social Council, in its decision 1995/51, requested "the United Nations funds and programmes to improve coherence in their country programmes, inter alia, by considering the possibility of joint or consecutive meetings of the Executive Boards, where practicable, or country programmes and by improving the link between their country programmes and the country strategy notes, where in place, bearing in mind the need for cooperation between external donors and the United Nations funds and programmes in this field."

National priorities, along with the active involvement of Governments, should serve as the basis for closer coordination of common country assessments, the United Nations Development Assistance Framework, and the World Bank's policy planning frameworks.

164. The policies of IMF have an extremely important effect on the conditions affecting development in developing countries. This is particularly true of their structural adjustment requirements. The Secretary-General welcomes the increased degree of consultation now taking place between IMF and the United Nations at the country level on these issues and intends to strengthen this relationship further.

The financing of development and technical cooperation

165. Resources for development need to be restored as rapidly as possible and made more predictable to preserve the intensity of their operations. This should be followed by a net increase in ODA and an increase in resources channelled through the United Nations in order to fulfil the mandates laid down by Member States. Such an increase should not be at the expense of other bilateral or multilateral institutions but should result from an overall increase in ODA based upon agreed global targets. All three principal sources of funding should be addressed -- voluntary, negotiated and private -- in development operations and an appropriate mix between them ensured.

166. Core resources remain the basis for the mobilization of all other funds, and their unpredictability has presented perhaps the most serious challenge to the smooth and effective functioning of development operations. Financing of United Nations funds and programmes is currently based on voluntary pledges on an annual basis.

167. It would be preferable if core resources could be made available in multi- instead of one-year tranches. These contributions would be based upon programme targets established for the period. Contributions would be based on the principle of burden-sharing among Member States, the terms of which will need to be worked out. Negotiated pledges should mobilize additional core resources for the implementation of priorities that emanate from global conferences and from new country-based or regional requirements.

168. Mandates of various organizations emanating from recommendations of global conferences require additional resources. There are a number of challenges facing the United Nations in this regard and the key one is increasing the availability of resources for operational activities. The mobilization of resources from private capital markets and other innovative financing systems must also be addressed in order to enable countries to tap into the development potential embodied in the private sector.

169. Mobilization of innovative new and additional resources requires a concerted, full-time effort. An Office for Development Financing that does not duplicate or compete with the fund-

raising activities of the United Nations funds and programmes could meet this need. The Office's mission would be to seek new and additional resources for development through innovative mechanisms and modalities. The new Office should, inter alia, explore the possibility of creating non-profit entities to enable the United Nations Development Group to receive tax-deductible contributions from individuals and especially private corporations at the country level. The Office would also work to identify innovative mechanisms for mobilizing resources from private capital markets for development.

Action 11:

(a) A proposal elaborating the details of a burden-sharing arrangement designed to increase core resources will be prepared by the Secretary-General for the consideration of Member States.

(b) An Office for Development Financing will be established. Responsibility for setting up the Office will be assigned to the Deputy Secretary-General, who will draw up terms of reference and modalities of cooperation in consultation with the United Nations Development Group.

Recommendation:

That a new system of core resources consisting of voluntary contributions and negotiated pledges to be appropriated in multi-year tranches be established.

D. Environment, habitat and sustainable development

170. Of the challenges facing the world community in the next century, none will be more formidable or pervasive as the attainment of a sustainable equilibrium between economic growth, poverty reduction, social equity and the protection of the Earth's resources, commons and life-support systems.

171. The recently completed nineteenth special session of the General Assembly reviewed programmes and prospects on the fifth anniversary of the United Nations Conference on Environment and Development and the twenty-fifth anniversary of the Stockholm Conference and underscored the difficulties and divisions that continue to impede progress towards agreement on the cooperative measures required to deal with these issues and to ensure enforcement of existing agreements.

172. A particularly important product of the Earth Summit has been the proliferation of new actors in the field of environment and sustainable development and their expanding participation

in United Nations deliberations, negotiations and actions. This has led to changes in the scope of the international and environmental agenda to focus on the environment as a critical component of sustainable development. In addition, it is clear that the world of the twenty-first century will be predominantly urban and the transition to global sustainability will largely depend on success in ensuring the sustainable development of our cities and towns. Sustainable development is now understood to consist of a positive synthesis between the environmental, social and economic dimensions of development.

173. In the United Nations, the Commission on Sustainable Development has become an important policy forum; environmental capacities within major United Nations bodies and specialized agencies have been developed; and the number of international environmental conventions with autonomous governing bodies and secretariats has been growing.

174. Overall the response to the needs of developing countries for new and additional financial resources has been disappointing and ODA has declined since the Rio Conference. The Global Environment Facility (GEF), established to finance the incremental costs of certain sustainable development projects, has functioned well and now needs to be replenished at higher levels and its scope expanded. UNDP, the World Bank and other multilateral and bilateral funding agencies are devoting a growing proportion of resources to sustainable development-related projects and programmes. And with the increased role of private investment, the recent initiative of the World Bank to develop, in cooperation with other interested parties, voluntary guidelines for private investment, is a welcome development. Little progress has been made in developing new and innovative sources of financing for the transition to sustainable development. However, some promising prospects are emerging as, for example, the development of a system of "offsets" to carbon dioxide emissions through joint implementation and emission trading, which could produce significant new flows of resources to developing countries.

175. What has emerged clearly from the experience represented by these events is the need for a more integrated systemic approach to policies and programmes throughout the whole range of United Nations activities in the economic, social and development fields by mainstreaming the Organization's commitment to sustainable development. This requires closer cooperation and interaction between the United Nations Environment Programme (UNEP) and the United Nations Centre for Human Settlements (Habitat) and between both entities and other departments, funds and programmes in the economic, social and development areas. It is necessary to that end to strengthen the system of task managers under the Inter-Agency Committee on Sustainable Development (IACSD) of the Administrative Committee on Coordination, in which both UNEP and Habitat are actively involved. At the intergovernmental level, the fact that the Governing Council of UNEP and the Commission on Human Settlements report to the General Assembly should not preclude or inhibit this process as both report through the Economic and Social Council.

176. UNEP is the environmental voice of the United Nations and the principal source of the environmental input into the work of the Commission on Sustainable Development. High priority must be given to according to it the status, strength and access to resources it requires to function effectively as the environmental agency of the world community. This has been confirmed by the Nairobi Declaration, adopted by the UNEP Governing Council at its nineteenth session, in February 1997. UNEP's role as the focal point for harmonization and coordination of environment-related activities must be strengthened, and the Secretary-General intends to lend his full support to this process.

177. The important experience and capacities that UNEP has developed in the areas of monitoring and assessment, through its GEMS and GRID programmes, constitute an invaluable resource that must be further developed and enhanced in the period ahead; so too its key functions as the forum for development of international policy, law and negotiation and implementation of cooperative arrangements to deal with environmental issues, as a bridge between science and policy-making as well as its interacting relationships with national environmental organizations and agencies. One of the most notable achievements of UNEP has been its contribution to the initiation, negotiation and support of some of the most important treaties that have been agreed in the international field. Many of these continue to depend on continued support by UNEP. The operational projects at the country level that have been financed by the Fund of UNEP can now be more appropriately funded by UNDP and other sources. Accordingly, UNEP will discontinue implementation of such projects.

178. The High-level Advisory Board on Sustainable Development appointed by the Secretary-General in July 1993[7] made a valuable contribution to the work of the Commission on Sustainable Development during its first five years in analysing and elaborating a number of key sustainable development issues. With the initiation by the Commission of promising new arrangements for consultations with and participation in its work by various relevant civil society actors, the Secretary-General believes that the functions of the High-level Advisory Board could now be effectively performed through these processes.

179. On this twenty-fifth anniversary of the establishment of UNEP and in the light of the recommendations of the Istanbul Conference on Human Settlements, it is most timely and necessary to take immediate steps to strengthen UNEP and Habitat, while considering the fundamental changes that may be required to clarify and focus their structures and functions within a reformed United Nations in the economic, social and development fields as well as to revitalize political and financial support for them. The nineteenth special session of the General Assembly has provided useful guidance in this respect.

---

[7] Pursuant to para. 38.18 of Agenda 21 and General Assembly resolution 47/191 of 22 December 1992.

Action 12: The Secretary-General will, in consultation with Governments, the Executive Director of the United Nations Environment Programme and the Executive Director of the United Nations Centre for Human Settlements, develop new measures for strengthening and restructuring the two organizations, based on General Assembly resolutions 2997 (XXVII) and 32/162 and taking into account the decisions and recommendations of the Governing Council of UNEP and the Commission on Human Settlements, and will make recommendations to the General Assembly at its fifty-third session.

Recommendation:

That the General Assembly decide to discontinue the High-level Advisory Board on Sustainable Development.

E. Humanitarian affairs

180. The occurrence of complex humanitarian emergencies, i.e., large-scale humanitarian crises in complicated political and military environments, often in the context of internal conflicts, requires new approaches on the part of the international community. Humanitarian actions today go beyond the saving of lives through relief operations and involve a wide range of efforts covering early warning, prevention, provision of emergency assistance, advocacy of humanitarian and human rights principles, protection and monitoring, with a view to ensuring a smooth transition to longer-term development.

181. The mission of the United Nations in the humanitarian sector is first and foremost to provide needy civilian victims of conflict and natural disasters, many of them refugees and displaced persons, the majority women and children, with humanitarian assistance and protection, which State authorities are often unable or unwilling to provide in crises.

182. The United Nations must further strengthen its capacity for launching coherent and coordinated humanitarian actions, under the guiding principles of humanity, neutrality and impartiality. In doing so, the United Nations must work in partnership with Governments, other intergovernmental organizations and non-governmental organizations. Building on experiences to date, further improvement in the coordination and management of humanitarian actions can be achieved to ensure greater coherence, while enhancing accountability.

183. The Kurdish refugee crisis in 1991 clearly demonstrated that at the time the United Nations system lacked the capacity to respond to a major humanitarian emergency. An important lesson of that crisis was that the United Nations must develop an effective emergency response capacity and must also establish an effective mechanism of coordination and

cooperation within the system by clarifying the allocation of responsibilities among the entities concerned.

184. General Assembly resolution 46/182 recognized the need for a more coherent and consolidated approach to humanitarian actions, and called for the designation by the Secretary-General of a high-level official (Emergency Relief Coordinator), working under his direction and supported by a secretariat. It also established the Inter-Agency Standing Committee (IASC), chaired by the Emergency Relief Coordinator, to strengthen coordination, as well as the consolidated appeal process and the Central Emergency Revolving Fund. The Secretary-General established the Department of Humanitarian Affairs within the Secretariat in 1992 to support the Emergency Relief Coordinator.

Towards a strengthened capacity to respond to humanitarian crisis

185. The functions of the Emergency Relief Coordinator and the role of the Department of Humanitarian Affairs were carefully reviewed in the preparation of the present report. The importance of the functions of the Emergency Relief Coordinator has been confirmed. General Assembly resolution 46/182 covers the broad range of humanitarian actions. The Department of Humanitarian Affairs, the support structure for the Emergency Relief Coordinator, has been successful in implementing part of its mandate. However, the fact that the Department of Humanitarian Affairs has undertaken some operational activities in a limited and ad hoc manner without being adequately equipped with capacities and expertise has diluted the importance of the Emergency Relief Coordinator's core functions. More than five years after the arrangements were put in place, it is now necessary to equip the Emergency Relief Coordinator with an appropriate and more appropriate support structure.

Role of the Emergency Relief Coordinator, the Office of the Emergency Relief Coordinator, the Inter-Agency Standing Committee and the consolidated appeal process

186. In accordance with the provisions of General Assembly resolution 46/182, the Emergency Relief Coordinator's functions will be more focused on three core functions, which will be significantly strengthened: (a) policy development and coordination functions in support of the Secretary-General, ensuring that all humanitarian issues, including those which fall between gaps in existing mandates of agencies such as protection and assistance for internally displaced persons, are addressed. In this connection, it is also important that adequate liaison is effected with the Department of Peacekeeping Operations, the Department of Political Affairs, the United Nations Development Group and the Office of the High Commissioner for Human Rights; (b) advocacy of humanitarian issues with political organs, notably the Security Council; and (c) coordination of humanitarian emergency response, by ensuring that an appropriate response mechanism is established, through IASC consultations, on the ground.

187. In order to allow the Emergency Relief Coordinator to focus on the core functions described above, operational aspects of responsibilities that currently fall to the Department of Humanitarian Affairs will be redistributed in other parts of the United Nations system. While the functions related to coordination of natural disaster relief would remain with the Emergency Relief Coordinator, the functions of disaster prevention, mitigation and preparedness relate to national capabilities and are more appropriately situated in UNDP. The functions related to demining activities will be transferred to the Department of Peacekeeping Operations, together with the responsibility for the management of the Voluntary Trust Fund for Assistance in Mine-Clearance. The management of the Iraq Programme, established by Security Council resolution 986 (1991), will be handled by a special unit within the secretariat.

188. An Office of the Emergency Relief Coordinator will replace the Department of Humanitarian Affairs, whose core functions will be transferred to the new Office. The Emergency Relief Coordinator's Office will be relatively small in size and well-focused on its core activities. The Emergency Relief Coordinator will benefit from well-qualified senior staff seconded by the IASC members. The Emergency Relief Coordinator will have direct access to the Secretary-General, as Assembly resolution 46/182 stipulates. The Emergency Relief Coordinator will be responsible to the Secretary-General and act as his main adviser on humanitarian issues.

189. General Assembly resolution 46/182 clearly recognized that humanitarian actions entail a wide range of efforts that go beyond the provision of emergency relief assistance. This should be more accurately reflected in respect of the responsibilities of the Emergency Relief Coordinator. In this context, it is recommended that the Emergency Relief Coordinator be renamed the United Nations Humanitarian Assistance Coordinator. It is also recommended that the General Assembly revise the responsibilities of the Emergency Relief Coordinator with a view to transferring the responsibilities related to the coordination of natural disaster mitigation activities, which are mainly capacity-building, to UNDP.

190. Under the new arrangement, the Emergency Relief Coordinator will chair IASC, which will be further strengthened. In order to enhance a rapid response capacity based on coherent policy, a Steering Committee of IASC will be established, which will comprise UNHCR, WFP, UNICEF, UNDP, a representative of the International Committee of the Red Cross and a representative of the non-governmental organization community. The full IASC membership will be informed of consultations in the Steering Committee and inputs will be sought as appropriate.

191. The consolidated appeal process will be further improved and continue to serve as a vehicle for resource mobilization in the humanitarian sector under the responsibility of the Emergency Relief Coordinator. As the aim of humanitarian actions always must be to seek durable solutions, appeals for rehabilitation and reconstruction will be included in the consolidated appeal process, where appropriate, based on inputs provided by the United Nations

Development Group. Likewise, funding requirements for human rights field operations will be included in the consolidated appeal process, where appropriate.

Action 13:

(a) An Office of the Emergency Relief Coordinator, headed by an under-secretary-general, will be established at United Nations Headquarters.

(b) The Emergency Relief Coordinator will focus on the core functions identified in General Assembly resolution 46/182. The Department of Humanitarian Affairs will be discontinued in its present form.

(c) Some of the functions of the Department of Humanitarian Affairs will be redistributed within the United Nations system, as indicated above.

(d) The Inter-Agency Standing Committee will be further strengthened and continue to be the main consultative body for humanitarian agencies, chaired by the Emergency Relief Coordinator. An IASC Steering Committee will be established with six members, as indicated above.

(e) The Inter-Agency Standing Committee will be asked to identify measures to harmonize processes and further enhance the consolidated appeal process to ensure that appeals are needs-based and prioritized, taking into account the comparative advantage of each agency.

(f) In the field, a lead agency may be designated by the Emergency Relief Coordinator to coordinate complex emergencies.

192. At the field level, the United Nations Resident Coordinator acts as Humanitarian Coordinator in normal circumstances. However, in complex emergencies where coordination of policies and activities at the regional level is required, or where a country-based Resident Coordinator for functional reasons cannot serve effectively as Humanitarian Coordinator, a lead agency could be designated that will be responsible for all aspects of humanitarian coordination in the field. This arrangement, which will streamline and avoid multiple layers of coordination in the field, was adopted in the former Yugoslavia.

Governance

193. The Emergency Relief Coordinator must maintain impartiality in carrying out the Coordinator's functions, and needs to be supported by and be held accountable to Governments on overall humanitarian issues. It may be desirable in due course to give consideration to establishing a governing board for humanitarian affairs, which could give policy directives on

overall humanitarian issues and oversee the coordination of humanitarian response. In the meantime it is recommended that a humanitarian affairs segment of the Economic and Social Council be established as soon as possible to give guidance on overall humanitarian issues and coordination.

Recommendations:

That the General Assembly designate the Emergency Relief Coordinator as the United Nations Humanitarian Assistance Coordinator, and transfer the Emergency Relief Coordinator's responsibilities related to the coordination of natural disaster mitigation activities to UNDP.

That a humanitarian affairs segment of the Economic and Social Council be established as soon as possible.

F. Human rights

194. Developments in the present decade have underscored that human rights are inherent to the promotion of peace, security, economic prosperity and social equity. Governments increasingly recognize that respect for human rights, including the rights of women, is a precondition for political stability and socio-economic progress. In keeping with this realization, the World Conference on Human Rights held in Vienna in 1993 underlined that "all human rights are universal, indivisible and interdependent and interrelated".

195. As a result of these developments, the mandate of the United Nations has evolved considerably, as reflected in the priorities set by the Vienna Conference and the growing demands for a human rights presence in United Nations field operations. Following a recommendation of the Conference, the General Assembly, in its resolution 48/141 of 20 December 1993, created the post of High Commissioner for Human Rights and assigned to the High Commissioner principal responsibilities for United Nations human rights activities under the direction and authority of the Secretary-General. The Centre for Human Rights, the main entity of the Secretariat in this field, was placed under the High Commissioner's overall supervision.

196. By virtue of its worldwide membership, the Organization provides a unique institutional framework to promote human rights and to develop the legal, monitoring and operational instruments that can better uphold their universal character while maintaining a full understanding of, and respect for, the broad range of national and cultural diversities. A major task for the future will be to enhance the human rights programme and integrate it into the broad range of the Organization's activities, including in the development and humanitarian areas.

Restructuring and consolidation of the human rights programme

197. The increasing demands on the United Nations human rights programme and the need to undertake responsibilities for which it had no previous experience revealed a number of shortcomings that reduced its impact at a time of increasing demands. The programme has since been the object of careful review by the Office of Internal Oversight Services and a private consulting firm. Following their recommendations, a major reorganization has been implemented. The streamlined structure now in place reflects the priorities of the work programme and is focused on three areas of activity: (a) information, analysis and policy development; (b) support to human rights bodies and organs; and (c) actions for the promotion and protection of human rights.

198. The General Assembly charged the High Commissioner with the task of carrying out the "overall supervision of the Centre for Human Rights". In order to relieve the High Commissioner of day-to-day management responsibilities, the Office of the High Commissioner and the Centre were maintained as two separate structures. Past experience, however, has shown that inadequate coordination and complementarity between the two entities hindered performance, diminished the impact of human rights activities and resulted in a lack of appropriate coordination of related activities throughout the Organization.

> **Action 14: The reorganization of the human rights secretariat is to be fully implemented. Under the new High Commissioner for Human Rights, both offices will be consolidated in a single unit, to be called the Office of the High Commissioner for Human Rights. The Deputy High Commissioner will assist and provide management support to the High Commissioner and manage the Office in her absence.**

Coordination with other United Nations programmes

199. The connection between human rights and peace and security is laid out in the Charter and has been amply confirmed by recent experience. An analysis of developments and trends in the area of human rights should be incorporated in the early warning activities of the organization; human rights are a key element in peacemaking and peace-building efforts and should be addressed in the context of humanitarian operations. The capacity of the Office of the High Commissioner to provide support in this regard is one of the objectives of the current reorganization.

200. The provision of technical assistance has been on the rise. Advisory services financed through the Voluntary Fund for Technical Cooperation are given to Governments that so request to develop national capacities, institutions and structures including advocacy, information, education and training of law enforcement officials, judges, immigration officers and

peacekeepers. Other entities of the Organization also provide technical cooperation in areas that have a bearing on human rights, such as the promotion of democratic governance, strengthening of the rule of law, reform of the judiciary, training of police forces and programmes that touch on the Convention on Economic, Social and Cultural Rights and on the Convention on the Rights of the Child. Better coordination among the entities concerned would enhance the impact of these activities and reduce their overall cost. The Office of the High Commissioner should be able to provide its advice for the design of technical assistance projects and participate in needs assessments missions.

201. The human rights programme is represented in the work of the Executive Committees on Peace and Security, Economic and Social Affairs, Development Operations and Humanitarian Affairs. There is room for further integration by ensuring that contacts are held in a regular way, rather than on an ad hoc basis, and strengthening the representation of the Office of the High Commissioner at Headquarters.

Action 15:

(a) The Office of the High Commissioner will assess the work carried out on human rights issues in the Executive Committees and will regularly participate in every stage of the Organization's activities in relation to actual or potential conflicts or post-conflict situations that have a human rights dimension.

(b) The High Commissioner will undertake an analysis of the technical assistance provided by the United Nations entities in areas related to human rights and formulate proposals for improving complementarity of action.

(c) The representation of the High Commissioner's office at Headquarters will be upgraded and strengthened.

Support for intergovernmental processes, monitoring bodies and special procedures

202. The intergovernmental machinery includes the Commission on Human Rights, which reports to the Economic and Social Council, which in turn reports to the General Assembly, and its Subcommission on the Prevention of Discrimination and Protection of Minorities. In addition to these legislative bodies, there are six committees that receive reports from States parties to the corresponding human rights covenants and conventions. Furthermore, the Commission on Human Rights has established a growing number of special procedures that include special rapporteurs, representatives, experts and working groups. There have been more than 30 such instrumentalities in the past two years.

203. The need to harmonize and rationalize the work carried out under the treaty bodies and the human rights mechanisms and procedures was underlined in the Vienna Declaration and Programme of Action. Meetings among the persons chairing the treaty bodies have been held periodically during the past years. Since 1994, meetings have also been held among the special rapporteurs, representatives, experts and chairpersons of the working groups. These practices have improved information-sharing among the concerned mechanisms; there is room for further streamlining of their work by facilitating coordination through the timing and venue of their meetings.

204. The existing bodies and mechanisms constitute a large and increasingly intricate network. While to a large extent their work has a cumulative effect, there is a risk of dispersion and lack of consistency that may affect their impact. A careful review is called for to rationalize the system.

205. The complexity of the human rights machinery and the subsequent burden of reporting obligations have strained the resources of the Secretariat. Weaknesses in the servicing units have limited their capacity to contribute to the rationalization and effectiveness of the work carried out by the machinery they serve. One of the main purposes of the restructuring of the human rights programme is to enhance the capacity of the servicing units.

206. Efforts to streamline the agenda of the Commission on Human Rights have produced valuable proposals. Progress has been made through the biennialization of items under consideration. While proposals for streamlining the agenda have so far failed to obtain the required support, they constitute a useful precedent for future discussions on this matter.

Action 16:

(a) The Secretary-General will ask the High Commissioner for Human Rights to review the human rights machinery and develop recommendations on possible ways to streamline and rationalize it.

(b) Actions under way in the context of the restructuring of the human rights programme to strengthen and coordinate the substantive and technical support to the legislative bodies, monitoring committees and special procedures will be given the highest priority. The establishment of common data banks of information, research and analysis to assist these bodies will be accelerated.

G. Civil society

207. The emergence of non-State actors has been a growing influence on our changing international environment. Non-governmental organizations are the clearest manifestation of

what is referred to as "civil society", that is, the sphere in which social movements organize themselves around objectives, constituencies and thematic interests. These movements include specific groups such as women, youth and indigenous people. Other actors have also taken on an increasingly important role in shaping national and international agendas. They include local authorities, mass media, business and industry, professional associations, religious and cultural organizations and the intellectual and research communities.

208. The emergence -- or, in several parts of the world, the re-emergence -- of civil society is linked to two interlocking processes: the quest for a more democratic, transparent, accountable and enabling governance and the increasing preponderance of market-based approaches to national and global economic management, which have resulted in redefining the role of the State and vested new and broader responsibilities in market and civil society actors in the pursuit of growth and well-being. In this overall context, a vibrant civil society is critical to processes of democratization and empowerment.

209. Not all non-State actors are, however, benign. While the role of civil society is looked at principally in terms of promoting ideals and activities that represent citizens' interests and promote public good, there has also been an ominous growth in the activities and influence of other elements, including terrorists, drug traffickers and those engaged in organizing prostitution and trafficking in women and children -- "uncivil society" -- all of whom have taken advantage of the processes of globalization. No one Government or organization can tackle alone the threats this poses to societies. New multilateral approaches and new partnerships with non-State actors must be devised to contain and reverse this trend. Member States pledged at the fiftieth session of the General Assembly to "act together to defeat the threats to States and people posed by terrorism, in all its forms and manifestations, and transnational organized crime and the illicit trade in arms and the production and consumption of and trafficking in illicit drugs".

210. Over the past two decades, issues such as people-centred sustainable development, environmental protection, gender equality and rights of indigenous people have been prominent on the international agenda with the encouragement and advocacy of non-State actors. Public participation in world events, especially the major conferences convened by the United Nations in the 1990s, has acquired true meaning, with tens of thousands of organizations from around the world being involved, from the local to the global level, in the identification of priorities and issues and avenues for addressing them.

211. The statistics relating to the number of non-governmental organizations granted consultative status by the Economic and Social Council are equally telling: 41 in 1948; 377 in 1968; and over 1,200 at present. At the operational level, the relationship between non-State actors and United Nations funds and programmes with operational responsibilities, such as UNICEF, UNHCR, UNFPA and WFP, has evolved significantly in the last two decades and important networks of contacts have been established. The operational competence, flexibility and knowledge of local conditions of non-governmental organizations, as well as complementary

resources which they themselves bring to humanitarian programmes, make non-governmental organizations key operational partners and implementing agents. The National Councils for Sustainable Development and similar entities established in some 100 countries as a result of the Rio Conference on Environment and Development represent promising new instruments for bringing together representatives of both Governments and civil society.

212. Virtually no area of United Nations involvement, at either the policy or the operational level, has been left unchanged by this process. Overall, civil society's increasing influence is contributing to a process of enlargement of international cooperation and spurring the United Nations system and other intergovernmental structures towards greater transparency and accountability and closer linkages between national and international levels of decision-making and implementing.

213. Non-governmental organizations and other civil society actors are now perceived not only as disseminators of information or providers of services but also as shapers of policy, be it in peace and security matters, in development or in humanitarian affairs. The involvement of non-governmental organizations and other actors, such as parliamentarians, local authorities and business leaders, in the United Nations global conferences demonstrates this. It would now be difficult to imagine organizing a global event and formulating multilateral agreements and declarations without the active participation of non-governmental organizations.

214. Of particular importance is the relationship of the United Nations and the organizations of the United Nations system with the business community. The impact of the private sector, in both developing and developed countries, is of growing importance, and it would be timely to develop better means of consultation between the United Nations and the business community. Such consultations would enable the concerns and interests of both sides to be more fully understood. The International Chamber of Commerce and the World Economic Forum have both taken the initiative to establish mechanisms for this purpose and encourage their use by other members of the United Nations family. The Secretary-General plans to utilize these mechanisms.

215. For all the reasons mentioned above, and as an essential part of reforming the United Nations, the Secretary-General is of the view that the Organization needs to review and update the ways in which it interacts with civil society, as it seeks to serve both the Governments and the peoples of the world. As the Member States and observers of the United Nations declared on the occasion of the fiftieth anniversary of the United Nations: "We recognize that our common work will be the more successful if it is supported by all concerned actors of the international community, including non-governmental organizations, multilateral financial institutions, regional organizations and all actors of civil society. We will welcome and facilitate such support, as appropriate."

216. There are other constituencies of growing importance to the United Nations that warrant special consideration. Parliamentarians are a primary case in point. The agreement of 24 July 1996 between the United Nations and the Inter-Parliamentary Union (see General Assembly resolutions 50/15 and 51/7) provides a promising basis for extending the United Nations consultative relationships with this important group.

Action 17:

(a) A series of gatherings involving eminent leaders of different sectors of civil society and the Secretary-General will be initiated. Constituencies will include academicians, organized labour, non-governmental organizations, private business, youth and the foundation community.

(b) All substantive departments of the United Nations will designate a non-governmental organization liaison officer to facilitate access by civil society to the United Nations. At the country level, where appropriate, the United Nations system should create more opportunities for tripartite cooperation with Governments and civil society. Training programmes for United Nations staff will include a component dedicated to cooperation with civil society. This will be reflected in the curricula of the United Nations Staff College.

(c) The Secretary-General will consult with the Administrative Committee on Coordination with a view to establishing a jointly funded inter-agency business liaison service to be named the United Nations Enterprise Liaison Service, patterned along the lines of the Non-Governmental Liaison Service.

(d) Arrangements will be made with leading business organizations to establish improved mechanisms for continuing the dialogue between representatives of business and the United Nations.

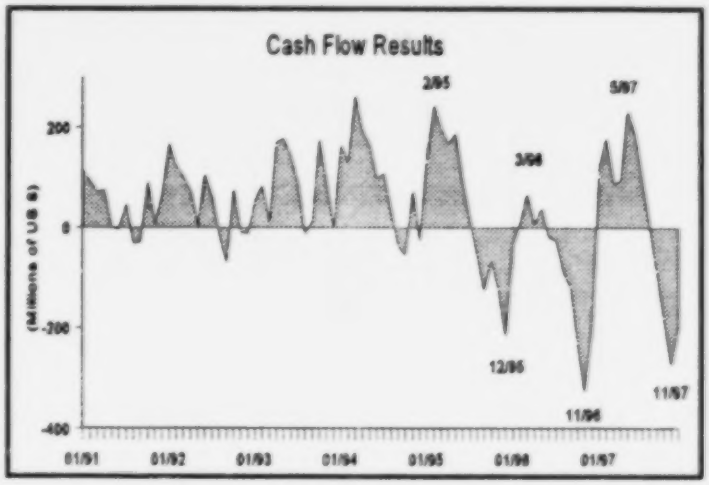
VI. ENHANCING SUPPORT CAPACITIES

A. Financing the Organization

217. The need to put the Organization on a sound financial footing is an essential part of and a prerequisite to the success for reform. The means to finance the Organization is through assessed contributions. The only way for this to work is for all Member States to pay their contributions in full, on time and without preconditions. This has not happened and is not happening. Article 19 has not proven to be the deterrent that it was meant to be. It is too lenient. Attempts at introducing sanctions and incentives have been put forward and rejected time and again.

218. The precarious financial situation and the perpetual cash-flow crisis require ongoing balancing acts to meet current commitments while making it difficult to stem the tide of mounting debts owed to Member States contributing troops to peacekeeping operations. In the light of the trends regarding peacekeeping operations, which will reduce the availability of cash, the cash flow is expected to worsen significantly in the year to come and may bring the Organization to a halt. In this day and age, no other association or organization could accept the rules under which the United Nations operates and survives.

219. The chart at right shows the pattern of cash balances in the regular budget from 1991-1997. There has been a discernible shift over that period. From 1991-1994, there was a recurring, but usually minor and short-lived negative cash position. In 1995, a new pattern began and it became necessary to borrow extensively from peacekeeping. This situation has recurred through 1997, with longer periods of borrowing and larger amounts.



220. In the absence of an adequate level of capital or any reserves and in the light of the failure of some Member States to discharge their treaty obligations regarding the prompt and full payment of assessed contributions, the Secretary-General believes it essential to find immediate practical measures to complement the ongoing search for a more fundamental solution of the Organization's financial situation. He challenges Member States to put forward ideas to induce delinquent Member States to pay and restore the financial solvency of this Organization.

221. For his part, the Secretary-General proposes that Member States establish a Revolving Credit Fund, initially capitalized at a level of up to $1 billion through voluntary contributions or any other means of financing that Member States may wish to suggest. Such a fund would be available to the Secretary-General to finance, on a recourse basis, newly arising overdue assessment payments of Member States. Notwithstanding that acceptance of the budget through a General Assembly resolution confirms the treaty obligation of Member States, in practice delays in payment have frequently occurred. Accordingly, it is suggested that Member States that fall 90 days past due in meeting their assessment obligations be notified by the Secretariat that they are in arrears and asked to specify the future date of such payment. This notification should be in such legal form as will allow the Secretary-General to pledge it as security for borrowing at such time as he considers necessary from the Revolving Credit Fund. Reimbursement to the Fund would be made when Member States paid their arrears. Member

States that have had their arrears financed through the Fund would bear the cost of such financing through adjustment of amounts owed to them by the Organization for prior year surpluses not yet reimbursed. The surplus balances of Member States that have provided the voluntary contributions would receive offsetting credit adjustments. The suggested financing arrangements would not modify in any way the determination of amounts in arrears for the purposes of Article 19 of the Charter.

222. The Secretary-General would welcome other suggestions from Member States as to how to resolve the issue of assured predictable cash flow.

Recommendations:

That a Revolving Credit Fund capitalized at a level of up to $1 billion be established through voluntary contributions or any other means of financing that Member States may wish to suggest to provide liquidity as an advance on Member States' outstanding contributions.

That any unspent balances under the regular budget, at the end of the fiscal period, in future be retained.

B. Management

223. Country after country is transforming the management of the public sector in response to the dual challenge of needing to meet growing demands within constrained resources. Facing a similar challenge and building on lessons learned from Member States, the United Nations has undertaken an ambitious programme of managerial reform to ensure that management supports the substantive work of the Organization, and that the resources entrusted to the Organization are used in the most effective and efficient way to achieve the mandates established by the Member States.

224. The Secretary-General has set forth a new vision for management that will support a more relevant, more effective United Nations that better serves the Member States; a simplified structure that avoids duplication and achieves greater impact; empowered and responsible staff and managers; a leaner and more efficient United Nations Secretariat; and an organization that fosters management excellence and is accountable for achieving results determined by the Member States.

225. The Office of Internal Oversight Services, a key element in the ongoing reform process, has produced reports that have been an extremely valuable source of reference and guidance in the development of this vision and the Secretary-General's reform measures. The Office of Internal Oversight Services, together with the Board of Auditors and the Joint Inspection Unit

(JIU) provide a range of oversight functions and services that are indispensable to the effective functioning of the Organization.

226. The Secretariat can be a catalyst for system-wide change; successful reform in the Secretariat will have a critical impact across the system. Although much remains to be done, there have been extensive efforts on the part of individual managers to streamline management. Today, every department is contributing to the transformation of the management of the United Nations, seeking to enhance the services that are provided by the Organization and, at the same time, reducing overhead costs. Examples of ongoing managerial reforms in the Secretariat and in the funds and programmes are described in the annex to the present report.

227. As part of the Secretary-General's reform initiatives, managers have been asked to accelerate the process of transforming the management of the Organization with an emphasis on enhancing effectiveness and service to Member States as well as achieving savings to create a "dividend for development." Reform is being pursued through the strategies outlined below.

Strategy 1: Strengthening the staff of the United Nations

228. To fulfil its mission, and to transform itself to meet the challenges of the next century, the Organization depends on the quality and competence of its staff. Article 101 (3) of the Charter, prescribes that "the paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity." This vision will drive the Secretary-General's urgent efforts to improve the quality and performance of the staff of the United Nations to enhance the effectiveness with which its human resources are managed and to strengthen the international civil service.

229. The Secretariat of the future will be somewhat smaller, better trained, more versatile, more mobile, better managed and better integrated as a global team. The dedication of United Nations staff, many of whom in recent years have given or risked their lives on behalf of the Organization, is impressive. Yet management of human resources has come to be characterized by labour-intensive day-to-day staff administration and mechanical compliance with complex rules and cumbersome processes that are seen as impeding rather than supporting programme delivery and not doing enough to maximize the contributions of staff.

230. There are other important issues to be tackled, including:

- The Organization's goals for geographical and gender representation have yet to be achieved; for example fewer than 20 per cent of senior level posts are filled by women and only 36 per cent overall and a number of Member States are still unrepresented;

- The average age of United Nations staff is 49, with only 14 per cent below the age of 40, and fewer than 5 per cent under 35. Over the next decade, projections indicate that at least 4,500 staff will retire from the Organization. This presents an opportunity -- and a challenge -- to rejuvenate the Organization, to provide career growth for serving staff with demonstrated ability and potential, to bring in needed skills and make significant progress on geographical and gender representation;

- The Organization employs more staff on personnel work -- a ratio of 1:37 -- than many other organizations of similar size and complexity;

- United Nations managers, including senior officials, have not, traditionally, been trained to manage effectively the human resources entrusted to them, with mandatory people management training introduced only in 1995 to enhance management's capacity for leadership, strategic vision and support for staff development;

- The appointment of senior officials by the Secretary-General is critical to the Organization's performance. The Secretary-General has to balance the professional, managerial and leadership qualities required to ensure high standards of performance; in few areas do the Secretary-General's responsibilities have a greater impact on the effectiveness and performance of the Organization than in making these senior appointments.

231. Actions are under way to address these issues, building on the Secretary-General's human resources management strategy, which has been endorsed by the General Assembly. A new Code of Conduct has been agreed and is to be submitted to the Assembly at its fifty-second session for consideration. A modest increase in the training budget is part of the 1998-1999 programme budget proposal. More action is needed urgently, however, to manage the human resources of the United Nations in the most effective way.

232. Some issues go beyond the United Nations Secretariat and need to be considered in the context of the wider United Nations system. For example, the International Civil Service Commission (ICSC) has primary responsibility for determining conditions of service in the United Nations system that affect the Organization's ability to attract and retain staff of the requisite competence and calibre. It is essential that the staff of the United Nations be fairly compensated and that their conditions be determined in an objective manner. A re-examination of the composition, mandate and functioning of ICSC will contribute to the success of reform measures being undertaken by the organizations of the common system.

233. The United Nations approach to human resources management will be the subject of a thorough review to be conducted by a task force established for this purpose. The task force will be comprised of human resources experts from both the private and the public sectors with inputs from management and staff. By the beginning of 1998, the Secretary-General will

complete the review and take action on a number of critical areas in human resources management falling within his authority. Matters requiring action by the General Assembly will be submitted for consideration at the fifty-third session.

Action 18: By the beginning of 1998, a fundamental review will have been undertaken, significant progress made and the preparation of a programme of further action prepared for the management of human resources in the Organization. This will include identifying and undertaking concrete steps in recruitment and placement, human resources planning, career service and compensation packages, career development and mobility, performance management and staff-management consultation, with the aim of:

- **Creating a "global team" for the United Nations of the future, including a more mobile career staff for serving the global Secretariat, both designed better to support programme delivery and career development;**

- **Streamlining recruitment and placement policies and procedures to serve better the needs of programme managers, to provide career growth for serving staff, to bring in needed skills and to make significant progress on geographical and gender representation, with an early goal of having all Member States represented no later than 1999;**

- **Simplifying processes to their essentials and delegating maximum authority and responsibility for human resources management within clear systems and lines of accountability better to support programme delivery and reduce administrative costs;**

- **Encouraging enhanced performance, through rewards and recognition, measures for dealing with substandard performance and accountability for results;**

- **Enhancing staff-management communication and consultation with a view to maximizing staff contributions to the reform process and enhanced organizational performance; and**

- **Supporting the delivery of programmes by giving managers greater flexibility and achieving an optimal mix of permanent and fixed-term staff.**

Action 19: Establish a one-time training and redeployment programme funded with up to $15 million from appropriated resources to assist staff affected by the measures outlined in the context of reform.

Action 20: The Secretary-General will seek the advice of an informal group of independent advisers on senior appointments.

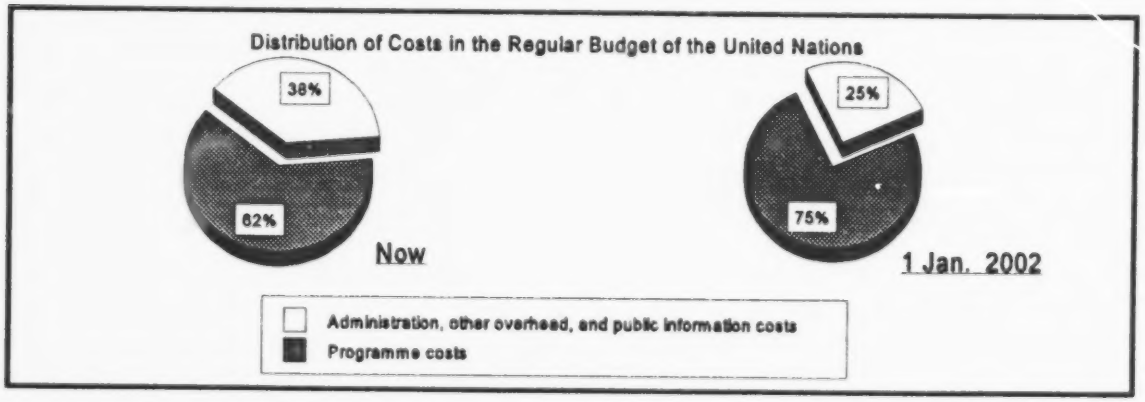
Recommendations:

That the General Assembly initiate a review of the International Civil Service Commission, including its mandate, membership and functioning in order to increase its effectiveness in meeting the challenges facing the United Nations system of organizations.

That the General Assembly approve the Code of Conduct. Once approved, it will become an integral part of the United Nations Staff Regulations and Rules.

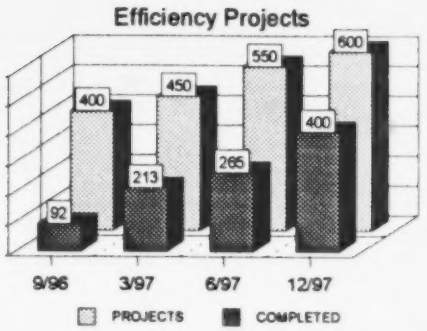
Strategy 2: Create a "dividend for development" from savings in administration and other overhead costs

234. The United Nations has been spending too high a percentage of its regular budget on administration and other overhead costs, including public information. On 17 March 1997, the Secretary-General set a specific goal to reduce such costs in the regular budget of the Secretariat by one third and reallocate this "dividend" to economic and social activities, reducing overhead and information costs from 38 per cent to 25 per cent of the United Nations regular budget (see figure). The Secretary-General is now proposing the creation of a Development Account to be funded from resulting savings. With savings achieved in the context of the 1998-1999 proposals for the regular budget and with Member States' support, for example by reducing the number of meetings and documents, it would be possible to deliver an efficiency dividend growing to at least $200 million for the biennium beginning 2002. The Secretary-General aims to deliver this dividend for development and proposes to initiate the account with savings achieved in the context of the 1996-1997 regular budget.



/...

235. Savings of this magnitude are possible. Over the last year, managers and staff members across the Secretariat have designed and initiated more than 550 efficiency projects that are enhancing services, reducing duplication, speeding up processes, obtaining economies of scale, and making better use of information technology (see figure). As of 30 June, some 265 of these projects had been completed and all are contributing to managerial improvements and to the Organization's ability to live within the reduced resources appropriated by the General Assembly.[8] This shows that the people who do the work understand the problems and can often find the best solutions to improve value and service. Managers are now being asked to accelerate the process of transforming the management of the Organization with an emphasis on enhancing effectiveness and service to Member States as well as achieving savings to create the dividend for development.



Action 21: The central administrative and support offices as well as every department and office will be given specific savings targets to reduce their administrative and other overhead costs over the next two bienniums in order to create a dividend for development growing to at least $200 million for the biennium beginning 1 January 2002, to be available for reallocation to a Development Account.

Action 22: Building on the lessons of the efficiency reviews and in close coordination with the budget process and targets, departments and offices will continue to carry out management reviews to enhance the delivery of mandated programmes, strengthen services to Member States and identify ways to achieve the targets set for the reduction of overhead costs.

Recommendation:

That the General Assembly establish an account to be funded from savings from reductions in administration and other overhead costs and prescribe the specific purposes and associated performance criteria for the use of such resources.

[8] Strengthening of the United Nations system Review of the efficiency of the administrative and financial functioning of the United Nations. Letter dated 21 April 1997 from the Secretary-General to the President of the General Assembly (A/51/873).

Strategy 3: Enhance the flexibility and responsibility of line managers

236. Too often, the delivery of mandated programmes is hampered by excessive bureaucratic procedures and rules, with responsibility for management of resources in the hands of administrators who have no accountability for programme delivery. This is both ineffective and inefficient. Managers must have decision-making authority and responsibility for financial and human resources so that they can carry out, and be held accountable for, the tasks that they have been given.

237. Work is proceeding on an integrated accountability system that delegates more day-to-day authority while establishing clear lines of responsibility, clarifying objectives and performance standards and establishing appropriate oversight, rewards and sanctions. The Secretary-General is using his full authority to conduct a pilot test of innovative managerial approaches in the Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Office at Vienna and Conference Services as a possible launching pad for additional innovation Secretariat-wide.

Action 23: The Secretary-General will take steps to delegate maximum authority, responsibility and full accountability to line managers for the management of human and financial resources.

Strategy 4: Simplify processes, procedures and rules

238. A main purpose of rules and administrative processes is to support the accomplishment of mandated activities while assuring transparency and accountability. This has not always been the case in the United Nations owing to obsolete issuances, overregulation, too many layers of rules and poor access to them. Often, compliance with too many rules and procedures has become an end in itself, frustrating managers and threatening the efficient delivery of mandated programmes. This has especially been the case in the area of human resources. Thus, the Secretary-General has initiated a complete reform of rules and administrative issuances with the goal of reducing and modernizing the rules of the Organization, facilitating compliance and making the rules more accessible, including electronically.

239. The Secretary-General has also initiated a comprehensive programme to streamline the central administration of the Organization and to simplify its processes and is introducing changes to procurement processes and those relating to human resources management, including recruitment, the processing of staff benefits and classification of staff. This will alleviate some of the burden on the Office of Human Resources Management, allowing it to play a more strategic policy, advisory and monitoring role. Where changes require the approval of the General Assembly, they will be submitted for consideration and decision.

Action 24: The rules and administrative issuances of the Organization will be reviewed and rationalized.

Action 25: A major simplification of procurement and human resource management processes will be completed by December 1997 and financial and other processes by December 1998.

Strategy 5: Results-based budgeting: shift from micro-management to macro-accountability

240. To further strengthen the management of the Organization, the Secretary-General is proposing that the United Nations place greater emphasis on results in its planning, budgeting and reporting and that the General Assembly moves the budget of the United Nations from input accounting to accountability for results. Following a trend in many developed and developing countries, this means shifting the focus of planning, budgeting, reporting and oversight from how things are done to what is accomplished. It means identifying the actual costs of producing results and allocating resources accordingly. This new approach will be the basis for shifting from micro-management in the budget process to what could become a new era of cooperation, transparency and accountability for achieving the outcomes that Member States determine.

241. The Secretary-General intends to enhance performance reporting of outputs while ensuring that information is available in the context of the budget process at an input level. The ECLAC, United Nations Office at Vienna and Conference Services management pilots will be used to develop better performance measures and increased accountability and managerial flexibility. The newly constituted Department of Management will work with programme managers to establish performance standards, providing training and monitoring performance.

Recommendation:

That the General Assembly review the existing arrangements governing the planning, programming and budgeting process in order to enhance their role in providing strategic direction, establishing better performance yardsticks and reporting and focusing more on accountability for performance than on input accounting -- a shift to results-based budgeting.

Strategy 6: Expand and strengthen common services

242. The United Nations family of organizations shares many facilities and services at Headquarters and at other duty stations. The Secretary-General is reviewing all major support services to strengthen existing common services and to expand the provision of services on a

consolidated basis where this can result in more effective and efficient services. The review includes procurement; information technology and telecommunications; the Integrated Management Information System (IMIS); personnel services, including medical services; financial services, including banking, treasury and payroll; legal services; transportation and traffic operations; security and safety services; facilities management; printing facilities; and archives and records management.

243. The objective is to assure that support services are cost-effective, high quality and timely, provided on a competitive basis and result in full client satisfaction. This implies a clear price structure for common services, a transparent system of budgeting and reimbursement; accountability to clients for the delivery of services; user feedback mechanisms; harmonization of regulations, rules, policies and procedures; and economies of scale and selective outsourcing.

Action 26:

(a) The quality and cost-effectiveness of current common services will be enhanced better to support programmes and programme managers in the United Nations and in funds and programmes, by the consolidation as far as possible, by January 1998, of Headquarters procurement services, taking into account field requirements and specialized procurement expertise, with a view to expanding the use of electronic procurement and organization-wide competitive contracts in key areas; developing a unified management structure to provide information technology and telecommunications infrastructure and services on a cost-effective basis; and taking specific steps to enhance the provision of common support services described above.

(b) One or more common service facilities will be established at United Nations Headquarters in New York, Geneva and Vienna to offer to all United Nations organizations certain common services.

Strategy 7: Create an "electronic United Nations"

244. On 30 June 1997, the foundation for an electronic United Nations was completed. Every permanent mission in New York was connected to the Internet, offered training and can now access the United Nations World Wide Web site and documents on the optical disk system. As a result, the Daily Journal is available to missions in electronic form before meetings begin, documents can be transmitted electronically to capitals and a vast amount of information is literally at the fingertips of the representatives, searchable and retrievable.

245. This simple change shows what is possible thanks to the revolution in information technology. Advances in information and communications technology can modernize how

documents in the United Nations are produced, stored and distributed and offer documents of higher quality, and at a lower cost, yet reaching a vastly broader audience in every Member State.

246. Advances in information technology are the basis for increases in the efficiency and effectiveness of the delivery of both substantive programmes and management of the United Nations (see annex). The United Nations has achieved a major success in the development of IMIS, which is being expanded to all United Nations offices away from Headquarters. The International Labour Organization, UNDP and UNICEF are adopting the IMIS human resources functionalities. Across the United Nations system, major changes are being made as processes are modernized and automated.

247. Now, the United Nations is turning more attention to the underlying infrastructure, how it makes data available to users via the Internet, Intranet and specific reports; and the underlying systems that support the production, storage and dissemination of parliamentary documents and other information.

Action 27:

(a) The United Nations web site and home page and related sites such as Relief Web will be enhanced and electronic postings on the Internet for delegates, Member States, non-governmental organizations and the broader public will be rationalized and expanded.

(b) As the United Nations replaces its main documents systems, the internal systems that produce, store and disseminate documents, including terminology databases and information technology tools to support production, tracking, management and distribution of documents electronically will be modernized.

(c) The use of the Intranet to facilitate internal communication and administrative simplification and streamlining will be enhanced.

(d) An information technology strategy for New York Headquarters and offices away from Headquarters that assures adequate infrastructure and investment to support staff members and services to Member States will be finalized and adopted.

Strategy 8: Institute an issue management system

248. Many activities that the United Nations system is mandated by various governing bodies to undertake involve more than one organization with activities and interests in the subject area

concerned. Coordination of these activities has largely been the responsibility of the Administrative Committee on Coordination machinery. But with the growing need for a systemic and integrated approach to development, traditional processes of coordination need to be supplemented by a series of practical arrangements that provide for more active, cooperative management of those issues by each of the organizations concerned, both within the United Nations system and extending to other involved intergovernmental and non-governmental organizations. There are already useful precedents for arrangements of this kind, as for example, in the working parties established by the secretariat of the United Nations Conference on Environment and Development in preparation for the Earth Summit. The approaches developed by the Administrative Committee on Coordination to promote coordinated follow-up to global conferences and to implement the System-wide Special Initiative on Africa are also relevant in this area.

249. These experiences point to the value of establishing for particular situations or issues, of a working party or task force consisting of each of the principal organizations with an interest and/or capacity in the area concerned. A lead organization would be selected for each such activity with separate leaders for sub-activities as may be required. In each case the lead organization would provide secretariat support for the group. The participants in each such group would be required to agree: (a) to make information on their respective plans on activities in the area concerned available on the basis of full transparency to all other participants; (b) to inform and consult other participants of proposed new initiatives; (c) to contribute to a planning framework for the area concerned, which will enable the plans and activities of each participant to be reviewed within the framework of the whole range of activities being carried on by all participants in the area concerned; (d) to consult with each other with a view to developing an agreed set of priorities for the area concerned and on the measures through which each participating organization can best contribute to these priorities and to achieve a more rational and cost-effective use of their respective capacities and resources.

250. Such groups could be established on an ongoing basis in areas in which it is considered by the participants to be useful and other cases on an ad hoc basis in respect of issues that require priority attention within a given period of time but do not necessarily require ongoing cooperation to the same degree. Issue management groups could be particularly valuable in areas in which no single United Nations organization or agency has a primary mandate, e.g., energy and technology.

Action 28: The Secretary-General will consult with the Administrative Committee on Coordination on ways to introduce systematically issue management methods and techniques at the inter-agency level. The Executive Committee for Economic and Social Affairs and the United Nations Development Group are being asked to contribute to the identification of areas where issue management networks could be fruitfully established and to identify appropriate lead agencies.

C. Communications and public information

251. The Task Force on the Reorientation of United Nations Public Information Activities was set up by the Secretary-General following his 17 March 1997 announcement. It was designed to provide the basis for reorientation of public information around three principal themes. First, United Nations information activities will in future be geared to provide communications and outreach services to Governments, the media, non-governmental organizations and other re-disseminators, utilizing the latest media technologies and techniques. Second, the information capability of the Secretariat will be more intimately linked with and directly support all of the activities of the substantive departments and offices. Third, resources will be decentralized and refocused to the country and regional levels and greater use made of capabilities. The process of integrating those United Nations information centres serving developing countries into the Resident Coordinator offices will be completed.

252. The Task Force has submitted its report to the Secretary-General. The conclusions and recommendations of the Task Force, some of which are quite far-reaching, will be carefully considered. The Executive Coordinator for United Nations Reform will review the report of the Task Force and formulate recommendations for the consideration of the Secretary-General. Through streamlining and concentration of efforts, overall savings in the proportion of resources currently devoted to public information activities will be achieved.

253. The Secretary-General strongly supports the principle of consolidation of communications activities under a senior official and the main thrust of the Task Force report that: (a) in order to turn the United Nations into an effective modern communications-oriented organization there must be strong central leadership of a unified communications function by a senior official who is part of the Secretary-General's immediate team; and (b) that the United Nations capacity to communicate at the country level, where the United Nations is already deploying about 40 per cent of the resources of the Department of Public Information, must be broadened through imaginative local partnerships with United Nations associations, other non-governmental organizations and parts of the United Nations system. The very character and purpose of such partnerships -- increased effectiveness at the national level -- requires that the arrangements be explored in close cooperation with individual Governments and that the outcome enjoys those Governments' full support.

254. The main conclusions of the Task Force are briefly summarized below.

255. The Task Force found that broad and generalized support for the United Nations is only occasionally translated into any significant level of global public advocacy. Although the United Nations holds a position of solid respect in public opinion worldwide, it nevertheless seems to be suffering from an erosion of public support in a number of countries. It is essential that the Organization have the ability to explain clearly its role and range of activities. In doing so it should be able to take advantage of a host of technological innovations.

256. In such an environment, according to the Task Force, determined minorities suspicious of the United Nations agenda can have a disproportionate influence on national policy towards the United Nations. While political setbacks such as those in former Yugoslavia, Somalia and Rwanda take their toll, more lasting damage is being inflicted worldwide by the perception of the Organization as a distant, global bureaucracy with little direct relevance to the lives of ordinary people.

257. This need not be so. Poll after poll, in both industrialized and developing countries, shows that people's concerns revolve around issues on the core United Nations agenda: securing peace, fighting crime, drugs and disease, promoting employment and education, protecting the environment and human rights. But only rarely is United Nations ownership and relevance to these issues recognized at the national level.

258. The United Nations worldwide presence and global agenda have the potential to make people everywhere recognize it as an indispensable global institution. Governments continue to treat the United Nations as the principal world forum through which to project their national and regional concerns. In addition, the growing number of activists, public interest groups and other representatives of strengthened civil societies are keen to be associated with the activities of the United Nations.

259. While some of the problems about the perception of the Organization can be addressed by better communications and advocacy work, a more fundamental shift needs to take place in the manner in which the United Nations conducts its business. There is a crucial need to position the Organization in a manner that plays to its strengths and reflects its relevance to people's daily lives. The United Nations communications priority is therefore evident: putting itself and its programmes in touch with all the world's people.

A strategy for communication

260. The Task Force has recommended the following principles to guide a new communications strategy of the United Nations:

(a) The communications function should be placed at the heart of the strategic management of the Organization;

(b) The United Nations global messages, activities and information must be tailored to a meaningful local context. This will require more effective central management capacity, a high degree of delegation to adequately resourced country-level communications programmes and a significantly strengthened two-way flow of information between the two;

(c) The United Nations is principally a forum for ideas and persuasion. A culture of communications must therefore pervade the entire Organization, with responsibility borne by all senior officials, ambassadors, delegates and the larger United Nations family;

(d) The issues that Member States are committed to must be framed by communications in terms that have global and regional resonance; abstract principles no longer generate the passions they previously did. Campaigns should draw in the global United Nations system, especially since one of the key United Nations priorities is the promotion of sustainable economic and social development;

(e) The Secretary-General's role is central in today's communication environment, in which countries and organizations are personified by their chief executives;

(f) The General Assembly and its Committee on Information should play a more active role by providing strategic guidance and direction to the communications function, with the Secretariat given much greater responsibility for determining the methods for implementing mandated goals;

(g) There must be flexibility to deploy resources on emerging priorities;

(h) The image of the United Nations must draw a distinction between two separate functions that give it stature: as the unique global forum for debate, reflection and ultimate consensus among Member States; as spokesman, advocate and implementor, through the Secretary-General, the Secretariat and the entire United Nations system.

Strengthened partnership with Member States

261. The Task Force devoted considerable attention to the role of Member States. A transition to a new communications structure demands a great deal of cooperation among the different actors within the United Nations system. Chief among these are the Member States which, the Task Force recommends, should be asked to review the whole body of mandates of the Department of Public Information and establish more effective and simplified rules for handing down new mandates. The Task Force recommends that no new mandates be established without secure sources of funding; all new mandates be time-limited with sunset provisions; there should be no more than one "year" observance at a time, with a limit to the number of "weeks" and "months" and "decades" being abolished; and the Committee on Information should consider a single mandate approach that lays out the priorities and leaves management to determine how best to deploy its resources to achieve those objectives.

262. The Task Force concluded that the United Nations image must be addressed as a priority. Towards this end, the United Nations must delineate in its communications the two separate functions that give it its unique stature. First, it is a unique global forum for debate, reflection

and ultimate consensus. Second, through the Secretary-General, the Secretariat and other parts of the system, it is a spokesman, advocate and implementor of that consensus. An image that reflects these two steps -- debate followed by action -- will be much stronger than the blurred image that the Task Force believes has muddled present public understanding.

D. United Nations University, research institutes and related bodies

263. In our increasingly interdependent, global civilization, knowledge and its application through technology, policy analysis, management, marketing, design and communications has become the primary source of power, added value and competitive advantage. The United Nations must not limit itself to the knowledge and expertise available within its own family but must reach out and tap the knowledge, analyses and expertise of the world's leading institutions in each of its fields of activity. This is a primary function of the United Nations University and other United Nations institutes. The capacity to access, develop and utilize knowledge will be an absolute prerequisite for the successful functioning of the United Nations in the twenty-first century.

264. The United Nations system has over the years developed a considerable capacity for policy analysis and research carried out by a network of research institutes and similar bodies. Such bodies are directly linked to the United Nations, in most cases falling under the jurisdiction of the General Assembly or the Economic and Social Council. These institutes vary considerably in terms of their mandates, funding modalities and governing structures. The largest, and best known, is the United Nations University.

265. Broadly speaking, these bodies can be placed in three different categories: those engaged in policy research, those that concentrate on basic research and those whose primary preoccupation is capacity-building, in terms of training and different types of technical assistance. The activities of some of the bodies fall into more than one of these categories.

266. The problems of proliferation and fragmentation of effort that characterize United Nations activities in a number of areas are also evident in this sector. The primary mode of funding for the research institutes is voluntary contributions from Member States and other sources. A number of the research institutes face severe financial problems and consequently find it difficult to maintain a consistent output. The quality of the research and other activities thus varies considerably. Indeed the long-term viability of some of the institutes is in question.

267. In spite of the useful research findings of some of the institutes and the valuable capacity-building projects of others, the overall contribution and potential of the research institutes remains largely underutilized by the United Nations community. The research institutes tend to exist in a world of their own, largely removed from the work and concerns of the United Nations. The need for such bodies to pursue their research and other activities with a degree of

autonomy and intellectual rigour partly explains this remoteness. But at the same time, it must be underlined that, as parts of the United Nations family, these institutes are not equivalent to academic or non-governmental research institutions. The United Nations institutes have an obligation to make their work both relevant and accessible to the larger United Nations community. And the capacity to establish close links with and draw upon the capacities of other leading knowledge-related institutions has still been inadequately developed.

268. In the next century, the role of scientific knowledge and policy analysis, including social science, in guiding and informing decisions made by Member States in intergovernmental bodies will assume increasing importance. The capacities of the United Nations institutes represent an important potential resource for the United Nations in this regard. Steps must be taken to ensure that the United Nations receives the full benefit of the work carried out by its research institutes and that they access and benefit from the work of other leading institutions.

269. In view of the current problems of viability confronting some of the research institutes and the need to ensure that overlap and duplication of effort do not affect the quality and quantity of output of the research institutes, it would be useful and timely to carry out a comprehensive review of the functioning of the research institutes to determine where consolidation might be warranted.

270. Another characteristic of the research institutes is that they have little or no contact with one another. There is consequently no mechanism to identify significant overlap in work programmes and, equally important, no opportunity to exploit complementarities and identify areas of potential conflict or inconsistency.

271. It is also necessary to devise ongoing mechanisms and procedures that would engender more systematic and regular contact between the research institutes and the United Nations Secretariat. The Strategic Planning Unit in the Office of the Secretary-General will serve as the principal liaison with the research institutes, providing them with suggestions for research topics and constituting one of the primary consumers of relevant research topics.

Action 29:

(a) The Secretary-General will initiate, in consultation with the United Nations University and other research institutes, measures for coordinating and rationalizing their respective activities of these institutes and ensuring that they contribute more fully and effectively to the policies, programmes and priorities of the United Nations. This will include recommendations that might be made to Member States to improve governance arrangements in respect of these institutes. It could also include amendments to the Charter of the United Nations University in accordance with the procedures described in the Charter of the University.

(b) The United Nations Staff College will be requested, in preparing programmes for international civil servants throughout the United Nations system, to make full use of the research and capacity-building experience of the research institutes.

VII. PREPARED FOR A CHANGING WORLD

272. The purpose of reforming the United Nations is to strengthen an indispensable institution and to prepare it to meet the challenges of the future. Reform is not intrinsically an exercise in cutting costs or reducing staff. It is an exercise to assure the Organization's relevance in a changing world and to make sure that those mandates that are given to it by its 185 Member States are performed effectively and efficiently within the resources that are appropriated for those ends.

273. The present report presents a blueprint for the future. It describes the challenges the United Nations faces and the steps that the Secretary-General is taking to meet them and it proposes a partnership with Member States to go further. The report covers the major strategic areas and functions of the Organization and sets out, in each area, an agenda for reform. There are common themes throughout the report which, together, paint a picture of a new and transformed Organization: one with enhanced leadership and management capabilities; with a streamlined structure; an Organization that acts as one United Nations at the country level; an Organization that is better prepared for humanitarian and political crises; an Organization with highly skilled staff; an Organization with a stronger role in development cooperation; and an Organization that is better managed and capable of reducing its costs to deliver a "dividend for development". The major steps that the Secretary-General is now taking and recommending are summarized below.

274. **Enhanced leadership and strategic management in the United Nations**: As a result of these actions and recommendations, the Secretariat will have a leadership structure and work programme with four main sectors reflecting the Organization's primary strategic areas: peace and security; economic and social affairs; development cooperation; humanitarian affairs, with human rights as a cross-cutting issue. The Senior Management Group and the executive committees for each sector will promote greater coherence among the United Nations departments, programmes and funds and provide a framework for reform. The proposed appointment of a Deputy Secretary-General will enhance the ability of the Secretary-General to manage such challenges as cross-functional sectors and complex emergencies. The recommendation that the General Assembly might periodically adopt a focus for its work is aimed at enhancing its role in setting strategic directions and priorities for the United Nations.

275. **Streamlined structure for greater effectiveness**: The Secretariat now has a single, consolidated Department of Economic and Social Affairs and a single Department of General Assembly Affairs and Conference Services that consolidates the work previously done by three

different entities. The Office of the High Commissioner for Human Rights and the Centre for Human Rights will be consolidated into a single Office of the High Commissioner. The Department of Humanitarian Affairs will be replaced by an Office of the Emergency Relief Coordinator, its operational functions transferred to other organizations and the role of the Emergency Relief Coordinator strengthened to ensure effective emergency response and advocacy of humanitarian issues. A Department for Disarmament and Arms Regulation will integrate United Nations activities addressing the proliferation of all types of weapon, with a new emphasis on controlling the flow of conventional weapons to areas of conflict. Further focus is possible with the approval of Member States, which are requested in the report to consider consolidating some of the subsidiary bodies of the Economic and Social Council and to review the role of the regional commissions vis-à-vis other regional and subregional intergovernmental bodies. A Special Commission to examine possible needs for changes in the Charter of the United Nations and in the treaties from which the specialized agencies derive their mandates would help to prepare the United Nations system to meet the challenges of the next century.

276. **Strengthened staff**: A fundamental review and programme of actions will strengthen human resources management. As part of these actions and recommendations, a Code of Conduct for United Nations staff has been developed and, with the approval of the General Assembly, will become an integral part of the Staff Regulations and Rules. A training and redeployment programme will be launched for staff who may be affected by reform measures. Member States are being asked to review the International Civil Service Commission to strengthen it as a truly independent group of technical experts on salaries, allowances, compensation and conditions of service, with representation from all regions.

277. **Increased preparedness**: As a result of these actions and recommendations, the Secretariat will be able to mount more rapid responses to humanitarian emergencies. Mechanisms such as the pre-positioning of food stocks; standby service packages; and a global supply chain will speed up the Organization's response to emergencies. The Organization's ability to predict potential disasters will be improved through a strengthened humanitarian early warning system and sector-specific early warning systems in UNICEF, the Food and Agricultural Organization of the United Nations (FAO) and WFP.

278. With Member States' support, more reliable and predictable arrangements will be developed for the commitment and rapid despatch of troops and equipment, as well as funding arrangements for rapidly deployable military/civilian mission headquarters to get peacekeeping operations off the ground efficiently and effectively from the outset. A time-frame is proposed for concluding the status-of-forces agreement when a peacekeeping operation is established, and the model agreement will apply provisionally if agreement is not concluded within that time.

279. **One United Nations at country level**: As a result of these actions and recommendations, UNDP, UNICEF, UNFPA and other entities will work in a more unified, cooperative and coherent framework on the country level. A United Nations Development Assistance Framework

will set common objectives and time frames for programmes of assistance at the country level, with pilots in 1997 and 1998. United Nations information centres will be integrated into the offices of the Resident Coordinators. The number of countries where the organizations share common premises will more than double in six years. Common premises at the country level will be designated "UN House" with the first such designation effective immediately in South Africa. Member State oversight of funds and programmes would be enhanced, for example, by convening joint committees and consecutive meetings of the executive boards of the UNDP/UNFPA and UNICEF.

280. **Increased managerial effectiveness and efficiency**: The proposed 1998-1999 budget will realize a negative rate of growth. Secretariat posts will decrease by 1,000. Administrative and other overhead costs in the regular budget will be reduced by one third, and the resulting dividend will be reallocated to development. Four hundred efficiency projects will be completed by December 1997. The Secretariat's rules and central administration will be streamlined and authority and responsibility delegated to line managers. Information technology, telecommunications, procurement and other support services will be more cost-effective and provide more client satisfaction, with one or more common service facility established. An increasingly "electronic United Nations" will give missions, non-governmental organizations and the public in all countries access to United Nations documents, publications and other information. With Member States' approval, the United Nations planning, budgeting and performance reporting systems will shift from input accounting to accounting for results with objectives specified by the General Assembly and greater flexibility and responsibility given to the Secretary-General for achieving them most effectively within the relevant budgetary constraints. And a proposed Revolving Credit Fund of up to $1 billion would assist in restoring liquidity.

281. **Shifting resources to development**: With the approval of Member States, an economic and social development account will be established, funded from the dividend resulting from administrative and other overhead cost savings, and from reducing non-essential meetings and documents. This "dividend for development" would grow to at least $200 million for the biennium starting 2002 and the account would be established with a down payment from savings achieved in the 1996-1997 regular budget.

282. **Prepared for a changing world**: As a result of these actions and recommendations, the United Nations will have a strengthened capacity to meet such new and emerging challenges as combating crime, drugs and terrorism. Post-conflict peace-building will be reinforced. All entities of the United Nations will designate liaisons to strengthen links with non-governmental organizations and seek new ways to engage the private sector in the achievement of its objectives. A new United Nations communications strategy will put the Organization and its programmes in touch with all the world's peoples. With the approval of Member States, the Trusteeship Council will become a forum through which they can exercise their collective trusteeship for the integrity of the global environment and common areas such as the oceans,

atmosphere, and outer space. A stronger Economic and Social Council will give new impetus to development activities.

283. In an Organization as large and complex as the United Nations, reform necessarily consists not of one or two simple actions but a multitude of tasks that amount to a major agenda that must be pursued over time. But the world will not measure the reform process by the number of items on the agenda -- by how many more or fewer activities are undertaken, or how many committees are formed or disbanded. The Organization will be judged, rightly, by the impact all these efforts have on the poor, the hungry, the sick and the threatened -- the peoples of the world whom the United Nations exists to serve.

Annex

EXAMPLES OF ONGOING MANAGERIAL REFORMS

PEACE AND SECURITY

Improving analytical capacity: In order to respond better to complex political issues on the ground, the Department of Political Affairs is developing a comprehensive training programme in peace negotiations, which will be combined with enhanced field tours for Headquarters-based staff. In order to improve political analysis, new mechanisms are being developed to harness critical information on situations and facilitate linkages.

Enhancing management capability in the field: Delegation of management responsibility to the field is reducing duplication, increasing responsiveness and improving staff morale:

- Field administration and logistic support for political offices and electoral assistance missions are being streamlined, including a mechanism for the provision of common services.
- A comprehensive Field Mission Logistics System, including asset management and movement control, will be installed at Headquarters and 16 field missions. During 1998, transport, engineering and communications logistics modules will be completed.
- By 1998, an improved financial management system will eliminate manual processes and improve the quality of data, financial planning and budgetary forecasts for peacekeeping operations.
- Delegation for local property survey boards, claims review boards and local committees on contracts has been increased, and further financial delegations are planned in 1997.
- Contingent-owned equipment and standard cost manuals and an operational support handbook are now available electronically to support field managers without constant reference to Headquarters.

Improving preparedness: The success of peacekeeping operations on the ground can be greatly enhanced if military and civilian participants are thoroughly prepared in advance. The United Nations is undertaking a variety of activities designed to improve preparedness, for example:

- The Department of Peacekeeping Operations has conducted seminars in Brazil and Ghana for 26 countries to train Member States' military, civilian and police instructors, who will in turn train potential participants in peacekeeping operations.
- Personnel from 12 nations have trained at the United Nations Staff College in a training exercise designed to enhance the preparedness of individuals and units participating in peacekeeping operations.
- A peacekeeping exercise in El Salvador helped to train 475 personnel from 11 countries.
- Two mission start-up kits, able to support 100 people for 90 days, are being stocked.

Streamlining support for the field: The provision of the right equipment, in the right place at the right time is critical to the effectiveness and success of the troops on the ground:

- Standardization of the vehicle fleet and central procurement of repair parts will reduce costs significantly.
- The introduction of charter flights to transport police monitors will save over $1 million in 1997.
- Streamlining the medical supplies system will save $1 to 2 million a year.
- New air support contracts will maximize fleet use, streamline support requirements and produce savings of around $800,000 a year.

Improving communications in the field: Information technology is being used to improve and speed up communication with the field:

- Field missions are now linked to United Nations Headquarters and to each other through VSAT, providing more capacity at less cost than commercial telephone lines and allowing low-cost inter-mission dialling.
- A strategic peacekeeping database, building on IMIS, provides management information and produces standardized financial and other management reports to field missions. Available to 28 Member States, it will be extended to all field missions and all interested Member States over the next two years.
- Managers tracking the oil-for-food programme are using an integrated inspection and management system to oversee shipments of food and medicine, developed by staff in the Department of Peacekeeping Operations.
- A procurement management and tracking system, based on Lotus Notes and linked to IMIS, has been developed and introduced in Angola, the former Yugoslavia and 12 other missions, with the remainder to be completed this year.

ECONOMIC AND SOCIAL AFFAIRS

Managing for results: Economic and social departments are developing improved ways of managing their work programmes to ensure that they correspond with Member States' requirements. For example:

- In intensive consultation with Member States, the Economic Commission for Europe streamlined its work programme, cut programme elements from 268 to 105 and reduced the subsidiary bodies by half.
- The Economic Commission for Africa (ECA) has worked with Member States to reduce the number of subprogrammes and achieve more than $600,000 in savings, while focusing on outputs with a greater impact and holding fewer, more goal-oriented meetings.

Reducing the Headquarters overhead: Focusing on priorities and results is leading to a concerted effort to maximize resources devoted to programme work and reduce the "Headquarters overhead". For example:

- Rationalizing the three economic and social departments in New York to form the Department of Economic and Social Affairs will enhance capacity and reduce some 25 administrative posts.
- ECA is decentralizing activities and redeploying about 25 per cent of its staff to subregional Development Centres, located throughout the African continent.
- UNCHS will decentralize operations and establish Habitat offices in Latin America and Asia.

Outsourcing: The drive to reduce costs is paying dividends, in terms of both money and improved performance.

- ECA and the Economic Commission for Latin America and the Caribbean (ECLAC) are planning to outsource some of their professional work in order to achieve more flexibility in implementing work programmes and to draw on expertise that is not required full-time.
- Other commissions are outsourcing such activities as computer installation and maintenance, security, cleaning, electrical technicians and messengers and realizing substantial savings.

Information technology is speeding up and improving the quality of substantive information and services:

- The Department of Economic and Social Affairs' United Nations-wide web site is linked to national official web sites, and gives delegates easy access to economic and social information and documents.
- ECLAC is effectively creating an electronic office, linking staff across Latin America and the Caribbean by electronic mail; providing an electronic filing system, and realizing significant savings in staff and money. ECLAC is also cooperating with the United Nations Office at Vienna to do translation on a remote basis, saving staff and travel costs, and making better use of translation services in both locations.
- ECA is computerizing its library, has installed a web site and is developing a local area network. ECA has estimated $87,000 in savings on the use of facsimile, telex and telephone and achieved more impact-making economic and social information available.
- UNCTAD improved conference servicing using on-line registration, on-line group drafting and retrieval of General Assembly and UNCTAD resolutions, resulting in shorter meetings and better service to participants.
- UNCHS has improved the service to Member States, providing documents faster by electronic mail and posting official documents on the UNCHS web site.
- Software used by countries to facilitate drug control reporting has been successfully outsourced to an external provider by UNDCP.
- UNDCP has shifted to electronic distribution of documents, providing Commission on Narcotic Drugs, technical information papers and other documents entirely via Internet.

Increasing delegation and accountability: Basic to management reform is the concept that performance improves when people closest to the work have managerial authority and responsibility, together with accountability. ECLAC, with Member States' support, is preparing a pilot scheme to put this concept into practice, giving managers greater authority and flexibility with respect to human and financial resources, while making them accountable for achieving specific targets for the content, quality and volume of outputs.

Good environmental housekeeping: This concept is being promoted within the United Nations. For example, UNEP has expanded environment-friendly and cost-saving measures, including recycling half of the water used in the Nairobi compound, using timers on corridor lights, recycling paper and establishing an ozone phase-out programme.

THE UNITED NATIONS DEVELOPMENT GROUP

Shifting staff and authority to country level: The focus of development organizations is their country programmes, and a major shift is now taking place to give country offices more authority and responsibility:

- UNDP has delegated to its resident representatives full programming authority within approved country cooperation frameworks, has reduced headquarters staff by 31 per cent and is redeploying an additional 25 per cent of headquarters Professionals to country offices.
- UNICEF country representatives are now fully responsible for managing and delivering their country programmes, and have authority for preparing and disbursing the annual programme budget within a framework set by the Executive Board; UNICEF headquarters role is shifting from oversight and control to leadership and global strategy, resulting in a streamlining of headquarters divisions from 19 to 15 and a reduction in headquarters staff.
- The United Nations Office for Project Services has deployed 25 per cent of its staff away from its New York headquarters in order to place them closer to their clients and has extensively delegated management authority to integrated client-based teams, each led by a single manager.
- UNFPA representatives in 14 countries have full decentralized approval authority, while representatives in all other countries have approval authority of $750,000 for country projects, up from $500,000 in 1993.

Streamlining work processes: Delivering programmes more effectively on the ground is the prime aim of the development organizations of the United Nations. This means continually searching for ways to improve productivity and streamline administrative processes:

- The re-engineering of UNICEF's Copenhagen warehouse has reduced supply costs, cut cycle times and reduced inventory costs from $35 million to $22 million, while improving warehouse output and inventory levels. Staff costs have been reduced by $1.4 million.
- UNDP is moving to an *ex post* accountability framework to shift oversight away from control of inputs to assessment of results and impact. UNDP is simplifying manuals and procedures to be more responsive to country needs.
- Fully self-financing, the United Nations Office for Project Services services clients who are free to choose other suppliers and has introduced business planning for significant improvements in performance and processes. For example, procurement turnaround time is now five days, a reduction of more than 50 per cent. The Office has placed client needs at the centre of its management culture. Listening to clients and developing approaches that respond to their needs has helped to reinforce a subtle but strong service orientation among staff and contributed to a shift in organizational culture.
- UNFPA established, in 1996, the Office of Oversight and Evaluation, an independent organizational unit that monitors the results and products of various oversight functions, including audits, policy application reviews and evaluations, as well as an internal review exercise with a view to optimizing existing human resources and adjusting staff structures to new and emerging priorities.

Improving coordination: A coherent, consistent United Nations presence at the country level requires all the players to find better ways of working together to serve their clients better:

- UNDP, UNICEF and UNFPA have harmonized their budget presentation;
- The programming cycles of the Joint Consultative Group on Programming have been harmonized in 27 countries, with 45 more countries pledged to harmonize by 1999;
- Common premises have been established with 3 or more United Nations development agencies in 35 countries and will be extended to 65 countries within 6 years. The ultimate goal is for all 4 development entities -- UNDP, WFP, UNICEF and UNFPA -- to operate from shared premises.

HUMANITARIAN AFFAIRS

Shifting staff and authority to the field: In acute humanitarian crises, the quickest, most effective response is rapid action by highly skilled staff on the ground who make most of the decisions, backed up by a headquarters that understands their needs, can provide support in mobilizing the resources to meet them and interact with other actors (political, peacekeeping, human rights, development) to ensure a coherent approach to crises. The Emergency Relief Coordinator, with the support of and in full consultation with members of the Inter-Agency Steering Committee, will implement a unitary system for the coordination of humanitarian assistance on the basis of the resident coordinator system. This would allow the rapid establishment of a coordination capacity *in situ* to provide a timely and coherent system-wide response.

Shifting staff to the field: A fundamental shift of United Nations humanitarian staff, resources and decision-making power to the field is now under way. This involves:

- Delegating authority and responsibility to managers in the field;
- Streamlining and eliminating many processes and procedures to make field operations more flexible and responsive;
- An expanded role for field offices in analysis, strategic planning, decision-making and the management of emergency responses;
- A new structure and culture for Headquarters, whose central role will now be to support the field and mobilize resources.

Human resources and career development: To support field coordination better, United Nations humanitarian organizations are making major changes in how they manage human resources, including:

- Requiring staff to serve frequent tours in the field, where they exercise significant responsibility;
- Introducing systematic performance appraisals, career management systems and frequent on-the-job training to help field staff to think more strategically, take greater responsibility, manage teams and stand accountable for allocating resources and achieving results;
- Field experience is to become an important criterion for senior appointments;
- UNHCR has initiated project "Delphi" to re-engineer management, including human resource management, fundamentally.

Strengthening rapid response mechanisms: The effectiveness of field staff depends on having material, services and information available quickly at the point of crisis. Rapid response mechanisms, such as the regional pre-positioning of foodstocks are already in place and more are being developed, including:

- A global supply chain;
- Standby service packages;
- United Nations disaster assessment, and coordination teams;
- Access to Member States' civil defence, military and other assets.

More innovations in areas such as warehousing emergency stocks, transport, logistics and emergency telecommunications would, almost certainly, pay handsome dividends. There may well be instances in which cost savings and increased efficiency could result through clear assignment of operational responsibility for specific sector or target group-related functions for the entire United Nations humanitarian community.

Humanitarian early warning: Humanitarian disasters can be better mitigated, if not prevented, by effective early warning. The United Nations is significantly increasing its capacity to predict potential disasters through:

- Sector-specific early warning systems in UNICEF, FAO and WFP;
- A United Nations-wide humanitarian early warning system (HEWS) as well as ReliefWeb and interregional information networks.

These systems must be strengthened and made mutually compatible and interoperable, so that systematic monitoring of political, economic, social, human rights and environmental indicators can, singly or together, give warning of a potential humanitarian crisis.

SUPPORT SERVICES

More cost-effective meeting services:

- Remote translation is now used broadly by United Nations offices in New York, Santiago, Vienna and others to reduce travel costs and make better use of translation staff.
- Off-site verbatim reporting is being tested and planned for expansion during the fifty-second session of the General Assembly with substantial savings in travel and other costs.
- Expanded use is being made of local temporary staff to reduce cost of language services.
- Videoconferencing as a tool for remote interpretation is being evaluated on a pilot basis in Vienna.
- A standard package of information technology equipment is being installed in all conference rooms at headquarters in 1997.

Creating an "electronic United Nations":

- All permanent missions in New York have been connected to the Internet and thus to United Nations documents via the web site and the optical disk system, by 30 June 1997. Work stations have been installed in the Delegates' Lounge.
- The web site has been enhanced to include information on peace and security, international law, environment, the Cyber School Bus and UN-I-QUE, a ready-reference file of the Dag Hammarskjöld Library.
- 4,200 users and all servers at Headquarters have been supplied with standardized software via a centrally managed system, cutting down on distribution costs and reducing trouble calls.
- Transition from cable and telex to electronic mail and facsimile under way at headquarters, to be completed in 1998.
- Documentation is being reduced through a variety of steps, including voluntary reductions by Permanent Missions because of its availability in electronic form, shorter documents and cleaning of distribution lists. The projected decline in document production at New York Headquarters is 3,975,000 pounds of paper in 1997, down from 5,862,000 pounds in 1995, a 30 per cent decline.

Outsourcing:

- The United Nations Office at Vienna is outsourcing purchase and administration of office supplies, mailroom operations and some translation, editorial design and composition, as well as restructuring some contracts, for example saving $300,000 by restructuring the cleaning contract alone.
- Maintenance services, computer maintenance, architectural and engineering functions are being outsourced at the United Nations Office at Geneva.

Simplification of processes and procedures:

- Electronic funds transfer in Geneva has reduced number of cheques issued by at least 33 per cent, and, together with other steps, is reducing processing time and saving more than $350,000.
- Streamlined purchase of medical supplies with a blanket purchase order has eliminated delays in the purchase of emergency medical supplies and is now being applied to the purchase of vaccines and other items.
- Streamlined submissions to the appointment and promotion bodies have already reduced paper by 25 per cent, with additional improvements anticipated.

Achieving greater efficiency and effectiveness:

- Consolidation of New York's mainframe operations at the International Computing Centre in Geneva, saving an estimated $1.2 million per year, completed April 1997.
- Business plan prepared for United Nations Postal Administration to expand sales of stamps, reduce costs and expand awareness and support for United Nations programmes and issues. Counter sales in New York up 50 per cent compared to 1996.
- Energy-saving measures in New York Headquarters adjusting temperatures, using more energy-efficient equipment and alternate lighting is saving at least $150,000 in 1997.
- Automation of security systems in Geneva is saving $1,197,000 in staff costs in the current biennium as well as overtime and other costs.
- Communications costs are being reduced by $400,000 in the United Nations Office at Vienna.
- Quality assurance and client consultation guidelines are being developed by the Office of Internal Oversight Services.